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The Commercial and FINANCIAL CHRONICLE

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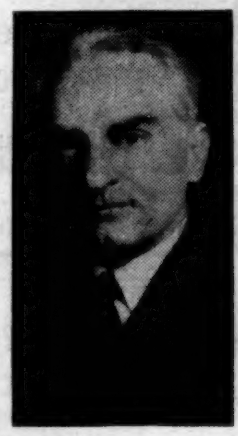
Vitality Of Railroad Industry Demonstrated

Ernest E. Norris, President of the Southern Railway, proves that railroad industry is not a decadent one. See editorial on Southern Railway on page 1373 referring to the phenomenal achievements in the operations of this road despite the severe handicaps encountered. The answer, of course, lies in the marked ability of the present management.



Ernest E. Norris

OUR REPORTER'S REPORT

Bond men were liberal in their praise of the prompt action taken by the Governors of the New York Stock Exchange at the opening on Tuesday in the railroad section of the list.

The decision of the Interstate Commerce Commission suspending increases in railroad freight and commuter rates granted last year, coming as it did after the close on Monday, was hardly expected at that time.

Naturally traders were more than a little befuddled and there

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The Future Of The Gold Standard

In an authoritative article which appeared in the "Chronicle" April 1, bearing the above caption, Dr. Edwin Walter Kemmerer, Professor of International Finance in Princeton University, discussed the post-war monetary situation and expressed the conviction that the doctrines of the gold-standard school would prevail and we would be spared the chaos that would ensue if each country adopted its own nationalistic paper-money standard. The "Chronicle" invited comments from its readers regarding the views expressed by Dr. Kemmerer, and some of the letters received were given in our issue of April 8 and those others that can be accommodated in this issue are given below. Additional ones will appear in subsequent issues.

B. D. HARRIS

President, The Second National Bank of Houston

I have great respect for the conservative views of Dr. E. W. Kemmerer, a recognized authority on international financial problems, with much experience in working out the financial problems of Latin-American countries. Certainly I would not feel qualified to debate with him his views on the restoration of the gold standard as an essential factor in world recovery at the close of hostilities. You have asked for thoughts on the subject and, while of little value, I can only candidly reply. Some of the thoughts uppermost in my mind at present might be mentioned as follows:

Beverly D. Harris

Considering the fact that the United States has a gold hoard, stated in Congress yesterday, in the amount of $22,600,000,000, or more than all the rest of the world combined, most of which is buried in the ground in Kentucky, and unless it can be used as a basis of a gold standard it might as well be at the bottom of the sea; otherwise, commercially, most of the value at which we carry it might as well be written off. It would certainly be to our advantage to have some sort of a gold standard reestablished among nations.

I think we may be perhaps premature in arriving at any conclusions until we have more information upon the "tentative suggestions" lately put before the United States and British Dominions, as mentioned by Mr. Winston Churchill in his speech of March 21, in which he also stated that Sir Kingsley Wood, British Chancellor of the Exchequer, assured that this scheme was in no way linked to the Bank for International Settlements, which is now about 100% Nazi controlled, although situated in Switzerland.

We are also awaiting further information concerning the administration program which Secretary Morgenthau stated yesterday is purely tentative, and was outlined to an extraordinary closed session of the Senate committees on foreign relations, banking and currency, and post-war economy and planning. This bare outline seems to contemplate

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Preservation of Private Enterprise and Initiative Vital, Says Bricker

Decries Terms "Isolationist" and "Internationalist"

Speaking in support of private enterprise and individual initiative, Gov. John W. Bricker of Ohio, in an address in New York at the semi-annual dinner meeting of the Academy of Political Science, observed that "we stand in America today at the parting of the ways. One road has been built by private enterprise, individual initiative, creative genius, the reward for which is self-reliance and independence." He went on to say:

"It has been built by a nation of strong individuals, people who realize that the Government is theirs, is organized for them and that the most precious thing in life is the human soul, its capacity for growth and development, for life and service to others. At the end of that road is a nation of free people, helping others, but ever keeping the spirit of the Republic alive."

John A. Bricker

Governor Bricker continued:

"The other way is an easy road. It is smooth, just a little bit downgrade all the way, so that not much effort will be spent in traveling it. Along this way are false promises of demagogues and dreaming politicians, of ease and rest and Elysian fields, bidding one to always stop and rest. The travelers are encouraged to spend and never to save. They are told that they will be taken care of by their Government. At the end of this road is the empty shell of what was once a glorious nation.

"I have no patience as a public official or as a citizen with those who contend we must go either to the right or to the left. America must go forward. We are not going back to the so-called good old days, because we can go ahead to better days. We can preserve private enterprise and prevent the ills that have attended it. We can help the needy without perpetuating the cause of poverty and we can live in peace or war without destroying the Republic."

Declaring that America must deal with the other nations of the world and assume leadership, the Governor had the following to say in criticism of the terms "isolationist" and "internationalist":

"There are many in public life today who substitute name calling for logic and reason. This pernicious practice is most aggra-

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Success Of Second War Loan Drive Essential To Win War, Maintain Private Enterprise

Emil Schram, President of the New York Stock Exchange, declared on April 12 that the success of the Second War Loan Drive is essential not only to the winning of the war but to the maintenance of the system of individual enterprise and of our American way of life.

Speaking at a luncheon meeting in St. Louis, officially opening the War Loan Drive there, Mr. Schram said that "we must be willing to lend to the Government every penny that we can spare from a greatly expanded income, our spending to the lowest possible minimum," in order to meet the cost of the war. In urging the purchase of War Bonds, he said that they are the "finest investment opportunity ever presented" to the American people.


Emil Schram

Mr. Schram estimated that the national debt at the end of the war will exceed $250,000,000,000, roughly about 10 times that following the first World War, but stated that the "significant fact to keep in mind is that interest rates are roughly only half as high." Mr. Schram further said that preservation of the American way of life with its fundamental rights is "certainly worth a mortgage on the future equal to only about 4 to 6% on a national income of $100,000,000,000."

At the outset of his remarks, the head of the Stock Exchange pointed out that the "financial atmosphere has been improved during the last 11 months, due largely to the behavior of our securities markets." Citing the rise in the price of securities, Mr. Schram said that "the investors of America, after expressing their profound concern in the months directly following Pearl Harbor, are now certain not only that the United Nations will win the war but that our system of individual enterprise will be revitalized by victory."

Mr. Schram further declared:

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W. G. McGann Joins Piper, Jaffray Co.

(Special to The Financial Chronicle)

MINNEAPOLIS, MINN. — William G. McGann has become associated with Piper, Jaffray & Hopwood, 115 South Seventh Street, members of the New York and Minneapolis-St Paul Stock Exchanges and other leading national exchanges. Mr. McGann was formerly an officer and Manager of the trading department of Couper-Eckenbeck Co., Inc. and prior thereto was with John J. Seerley & Co.

Alfred P. Sloan Jr. To Address Bond Club

Alfred P. Sloan, Jr., Chairman of the Board of General Motors Corporation, will be guest-speaker at the luncheon of the Bond Club of New York to be held at the Bankers Club, Thursday, April 22, Albert H. Gordon, President of the Bond Club, announces.

ICC Rate Decision Effect On RR Securities

Vilas & Hickey, 49 Wall Street, New York City, members of the New York Stock Exchange, have prepared a most interesting analytical study discussing the effects of ICC rate decision on Railroad securities. Copies of this analysis may be had from Vilas & Hickey upon request.

Railroad Reorganization Securities Not All Affected Similarly By Supreme Court Decisions

To the dealer and investor, the most interesting thing about the recent Supreme Court decisions concerning railroad reorganizations is that these rulings will have widely differing effects on various railroad securities. Some of these specific effects, as well as the Court's evident philosophy taken as a guide to investment policy, are discussed in a recent analysis issued by R. W. Pressprich & Co., 68 William Street, New York City, members of the New York Stock Exchange. This analysis, designed both for dealer use and for the investor is both concise and practical. As many copies as desired may be had upon request from R. W. Pressprich & Co.—write to the Railroad Department and ask for "Supreme Court Decisions of Importance to Railroad Investors."

The Effects Of President Roosevelt's Executive Order Freezing Wages and Prices

Probable Early Effects

1. Psychologically, to the extent that recent market strength has been due to inflationary sentiment, this Order should be bearish as it is plainly anti-inflationary.

2. The effect on industrial corporation earnings is not great, but should be favorable rather than unfavorable as far as it goes.

3. Railroads likewise seem little affected. They would fare at least as well if rate raises were cancelled and wage raises were not given, as in the opposite case. Their bonds still seem undervalued.

4. To the extent that the Order results in any rate decreases or in higher taxes, it might be unfavorable to utilities, though holding down wages will be helpful.

5. Responsibility of labor disputes and troubles is increased.

6. To sum up, the psychological market effect is bearish but the actual effect on corporations is not. Assuming that the stock market was ready for an intermediate correction, the President's Order was the event to start it. It is reliably reported that a great many stop orders had built up under the market, a factor that accelerated the break.

Probable Longer-Term Effects

1. Since the Order would seem to provide food producers and farmers generally with less incentive to produce, needed increases in food and other agricultural production may not be obtained. In conjunction with the disruption of the distribution system by OPA operations, this could cause a food shortage in six months to a year.

2. Except where incentive plans are used, incentive for workers in industry is also limited (especially if taxes are to be further increased). Hence production may be hindered rather than aided.

3. Though inflationary trends

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NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Langley To Admit Anderson & Berdell

As of May 1, J. Starr Anderson and Charles Prescott Berdell, Jr. will be admitted to partnership in W. C. Langley & Co., 115 Broadway, New York City, members of the New York Stock Exchange. In the past Mr. Berdell was a partner in Berdell Brothers; recently he has been associated with W. C. Langley & Co.

Bear, Stearns Will Admit David Finkle

Bear, Stearns & Co., 1 Wall Street, New York City, members of the New York Stock Exchange and other national exchanges, will admit David Finkle to partnership in their firm as of May 1. Mr. Finkle in the past was a partner in Charles Clark & Co. and Lobdell & Co.

W. R. Bull Management

At the anual meeting of the stockholders of Bull, Wheaton & Co., Inc., it was decided to resume the former corporate name of W. R. Bull Management Co., Incorporated. Mr. Don Wheaton is no longer associated with the firm.

Offices will continue at 40 Exchange Place, New York City.

DEALER BRIEFS

Baltimore, Md.

There is no demand in this market for low coupon Corporate Bonds. There is, however, a steady demand for good preferred stocks and common stocks of good quality and potentialities yielding 4½% or better. We have not found inflationary fears.—*Frank B. Cahn, Frank B. Cahn & Co.*

Kingston, N. Y.

Although investor interest for the past several years has been pretty much restricted to the purchase of income, there is increasing evidence that individuals hitherto uninterested in purchases for appreciation are tending to adopt a more optimistic attitude. Particularly in the selection of short-term utility and rail bonds has this attitude been evident. Funds are coming out of the "sock," which up to this time, have been hidden away out of the sheer confusion and general lack of confidence. It is encouraging to observe more discrimination in the selection of values than has been the case during some periods of increasing activity in the past.—*Earl H. Newbery, Chilson, Newbery & Company.*

Syracuse, N. Y.

It is our experience that a portion of the greatly increased earnings of individuals, denied the outlet of consumer goods, is finding its way into the security markets. We expect this tendency to continue and to play an important part in the markets of future months. At the moment our emphasis is placed on interest paying rail bonds and certain preferred stocks of the carriers.—*Richard Shipman, Blair F. Claybaugh Company.*

F. P. Barnes Will Be Partner In H. O. Peet

KANSAS CITY, MO.—Frederic P. Barnes will become a partner in H. O. Peet & Co., 23 West 10th Street, members of the New York Stock Exchange, as of May 1. Mr. Barnes has been a partner in Lamson Bros. & Co. with headquarters in Kansas City.

The Future Of Air Line Securities

The observations on the Air Transportation Industry made by E. F. Hutton & Co. in their Fortnightly Market and Business Survey, which is prepared for private distribution, are given below and are of particular interest to those serving investment opportunities in growth industries.

"'No Spot On Earth Is More than 60 Hours From Your Local Airport.' This blunt statement of fact appearing in a recent newspaper advertisement brings home with startling clarity, the almost unbelievable nearness of recently distant, even remote, places. The ferry pilot's comment that the Atlantic Ocean is only 400 minutes wide, Australia a mere 35 hours flying time from San Francisco and Berlin 20 hours away from New York helps us to visualize the 'neighborhood' character which the airplane has brought to the world. Nations and peoples we once thought remote are now a matter of hours or minutes away. At present, of course, these global skyways are traversed entirely for military purposes. But after the war, when freedom of travel returns, commercial and private passage by plane will become an integral part of our world economy. The airplane will be as usual a feature of every-day life as trucks, buses and ocean liners. Global transportation in giant planes at high speeds is even now being developed in experimental laboratories on scale models. Air transportation promises to become a major industry in our national economy and its marked development potential foreshadows a decided influence on social and economic world trends for many years to come.

"Such glowing prophecies for the future of air transportation have been much publicized and have found reflection in advancing prices for airline stocks to the highest point in several years. Last year's industry results of something over 100% increase in

(Continued on page 1379)

REAL ESTATE SECURITIES

HEARST BRISBANE PROPERTIES

Bonds Guaranteed By William Randolph Hearst Selling At 40% Of Value of Properties As Determined In Court In Reorganization Proceedings

The original $7,000,000 issue made in 1925 of W. A. R. Realty Corp. First Fee and Leasehold 6s had been reduced by serial maturity payments to $4,844,750 when default occurred in 1940. Mortgages on six properties, the most important being the 36-story Warwick Hotel, on the northeast corner of 54th Street and Sixth Avenue, New York City, and the Ziegfield Theatre, presently leased to Loew's, Inc., at the northwest corner of 54th Street and Sixth Avenue, are the security for the bonds. The total assessed valuation of the properties is $4,945,000, the hotel assessed at $2,495,000 and the theatre at $900,000. In ascertaining values in the deficiency judgment suit against William Randolph Hearst, a value of $2,550,000 was placed on the hotel and $860,000 on the theatre and total value of all properties, $4,112,500.

The Corporate Trustee took possession of all properties Aug. 1, 1940, taking recourse to two court actions, one to foreclose under the mortgage indenture and one to recover unpaid principal and interest, both guaranteed by William Randolph Hearst. In the foreclosure action the Trustee presented a plan, governed by the Schackno Act, whereby title to all assets would be acquired for the benefit of bondholders, the income distributed, and the assets liquidated and the proceeds paid to bondholders as return of principal. Hearings before the Referee appointed by the court have been completed and although his report has not as yet been filed, it is expected that consideration will be given to bondholders only.

In the action to recover under the guarantee a deficiency judgement against Mr. Hearst has been allowed by the Supreme Court. An offer by Mr. Hearst to present approximately $800,000 principal amount of bonds to the Trustee for cancellation on the deficiency judgment claim was rejected and the defendant on appeal to the higher court was sustained. This decision in favor of Mr. Hearst allowing cancellation of the bonds will reduce the issue to about $4,000,000.

When the Trustee took possession real estate tax arrears were about $75,000. For the 30-month period ended Jan. 31, 1943, all properties have shown an operating profit after current real estate taxes. The Trustee has received $781,354.29 from the operations, has paid all tax arrears and current taxes through Dec. 31, 1942, about $80,000 towards reorganization expenses and had an unexpended cash balance of $98,514.70. Net profit for the period after real estate taxes and other fixed charges amounted to $380,398.62; the earnings of the Hotel Warwick contributing $312,437.47 to the total.

Earnings of the Hotel Warwick for the six-month period ended Jan. 31, 1943, reflected as $75,441.20, after real estate taxes. Estimates for the year to end July 31, 1943, reflect a net of $160,000, which in itself is an amount sufficient to cover 4% annual interest on $4,000,000 bonds.

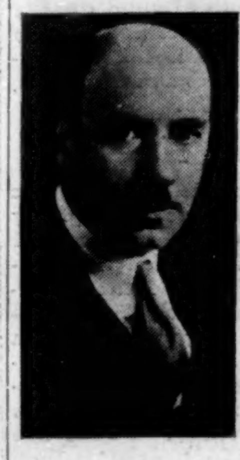
Bonds of this issue selling in the low 30s seem underpriced considering the earnings and the appraised value of the properties. The $4,000,000 bonds at a price of 35 figures $1,400,000 in comparison to the $4,112,500 appraisal in the court proceedings.

Family Helicopter In Every Backyard A Post-War Vision of Inventor Sikorsky

Tells Society of Automotive Engineers First 10 Years of Peace Will Bring Direct-Lift Planes Into Use

Visions of a family airplane in every backyard and of flying trucks taking off from factory roofs may materialize within 10 years after the war, I. I. Sikorsky, of United Aircraft Corp., Stratford, Conn., assured the SAE National Aeronautic Meeting in Hotel New Yorker here last Friday.

Mr. Sikorsky estimated that possibly a million helicopters would be in use in the decade following the war, aiding the demobilization of the aircraft industry by utilizing war-expanded facilities and personnel.



Igor Sikorsky

He predicted the helicopter would open to better use vast land areas of this country now inaccessible.

Helicopters traveling at speeds up to 120-140 miles an hour were possible, Mr. Sikorsky added, and helicopter buses seating 12 to 20 passengers are not beyond reasonable expectation. Attachable landing devices in the form of inflated rubber bags will permit helicopters to operate safely from ground, water, swamp, thin ice and deep snow. He said the ability of helicopters to hover in the air so close to the ground as to permit repairs to be made and freight to be transferred, and to land and take off in any clearing large enough to accommodate the structure, would extend their availability for air transportation in business service.

"The helicopter," explained Mr. Sikorsky, "well may be expected to become a very popular type of aircraft extensively used by private individuals in a way similar to the automobile, and also by individuals and organizations for a great variety of business and commercial assignments. The helicopter may be a vital factor in the period of demobilization of the aircraft industry after the war, permitting the utilization of facilities and the employment of a gradually increasing part of the trained personnel which will become available.

"It will make possible broader and better use of the territory of this country by opening for residences, recreation, prospecting and development areas that now remain practically idle because of transportation difficulties. All this may be foreseen with confidence, and I am convinced that within a decade after the war there will be hundreds of thousands, possibly a million helicopters in actual use in this country."

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y. — **D. A. Pearson,** formerly of John Nickerson & Co., is now with the Retail Sales Department of **Amott, Baker & Co., Incorporated,** 150 Broadway.

NEW YORK, N. Y. — **Warren Clark,** formerly of Goodbody & Co., has become associated with **Brundage, Story and Rose,** investment counsel, 90 Broad Street.

(Special to The Financial Chronicle)

ATLANTA, GA.—**Joel Chandler Harris III** has become associated with **Wyatt, Neal & Waggoner,** First National Bank Building. Mr. Harris was previously with Bounds, Pool & Co.

(Special to The Financial Chronicle)

BEVERLY HILLS, CALIF.—**Edward Goldberg** has been added to the staff of **E. F. Hutton & Company,** 463 North Rodeo Drive.

(Special to The Financial Chronicle)

BOSTON, MASS. — **E. Arthur Tutein, Jr.,** has joined the staff of **C. F. Childs & Company,** 82 Devonshire Street. Mr. Tutein in the past with with Tifft Brothers.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Sidney H. Wirt** is now with **Hutchins & Parkinson,** 50 Congress Street. Mr. Wirt was formerly with Hornblower & Weeks and in the past conducted his own investment business in Boston.

(Special to The Financial Chronicle)

BOSTON, MASS.—**Arthur John Dorsey** has been added to the staff of **Maxwell & Company, Inc.,** 24 Milk Street.

(Special to The Financial Chronicle)

CEDAR RAPIDS, IOWA—**Donald A. Carlson** has become associated with **Barcus, Kindred & Co.,** 231 South La Salle Street, Chicago, Ill. Mr. Carlson was for-
(Continued on page 1376)

Joseph Hibben With War Department

CHICAGO, ILL. — Willard T. Grimm, manager of the local office of Kidder, Peabody & Co., 135 South La Salle Street, announces that Joseph W. Hibben, Assistant Manager of the office, has been granted a leave of absence to do some special work for the War Department.

Mr. Hibben has been associated with Kidder, Peabody & Co. in his present capacity since February, 1938, having previously been associated with The First Boston Corp.

Pittsburgh Bond Club Elect 1943 Officers

PITTSBURGH, PA.—At the annual meeting of the Bond Club of Pittsburgh the following officers were elected:

President: Milton G. Hulme, Glover & MacGregor, Inc.

Vice-President: Clifford G. Bodell, Peoples Pittsburgh Trust Co.

Secretary: H. S. Parker, Kay, Richards & Company.

Treasurer: S. Lee Bear, Kay, Richards & Company.

J. F. McBurney With H. P. Pratt & Company

(Special to The Financial Chronicle)

SEATTLE, WASH.—James Forbes McBurney has become associated with H. P. Pratt & Co., Hoge Building. Mr. McBurney was formerly Chairman of the board of the Western General Corporation. Prior thereto he was with E. A. Pierce & Co. as Manager of their Seattle office and was a partner in Logan & Bryan.

Proctor M. Masters Forms Own Company

(Special to The Financial Chronicle)

KANSAS CITY, MO.—Proctor M. Masters has formed Proctor M. Masters Company with offices at 1004 Baltimore Avenue, to engage in a general securities business. Mr. Masters was previously Kansas City representative of the Mercantile-Commerce Bank & Trust Company of St. Louis for many years.

Editorial—

Annual Report of Southern Railway A Credit To Industry

Stockholders of Southern Railway have received the annual report for 1942, the biggest year in the company's history. The comments of Ernest E. Norris, President, in submitting the statistical data, must certainly have made pleasant reading for the owners of the enterprise but take most of the wind out of the sails of any group that raises the cry that the railroad industry is a decadent one. Too often the success of able and aggressive management in surmounting the admitted problems that have confronted the carriers since they lost their monopolistic position in the transportation field has been obscured by generalities as to traffic diversion, long-term erosion of rates, uneconomic working rules, etc. Mr. Norris' letter to the stockholders, with a forthright discussion of the problems which still lie ahead as well as a review of what has gone before, stands as a bright testimonial to the altered philosophy of present-day railroad management. Mr. Norris may view the record with justifiable pride.

To us the highlight of the report is the phenomenal operating progress the present management has achieved, in the face of competitive inroads into some of the highest revenue freight, and the brake applied by higher wages and obsolete working rules. In point of work done the 1942 results topped all previous peaks by a wide margin. As compared with the previous record year, 1926, passenger miles increased 102.96% and freight ton miles were up 51.58%. Rates are now considerably lower so that the company did not realize a similar gain in revenues, and wage rates have been increased materially. Nevertheless, the transportation costs—the expenses of actually handling the traffic—were up only 5.70%. There is certainly nothing decadent in a company that can increase its efficiency to that extent under severe handicaps and during a period when there was a minimum of cash left over from operating revenues with which to improve the plant.

New lows were established both for transportation ratio and total operating ratio, a goal that seemed impossible on top of the extraordinary 1941 record of efficiency. With these figures it is logical that the Southern Railway stockholders should look forward with confidence to successful negotiation of what pitfalls may be ahead in the period of post-war readjustment. The report does not gloss over the fact that the present level of business and earnings is war-induced and therefore transitory, but the increased productivity of the properties, given reasonable traffic, is definitely not transitory. It stems directly from modern equipment, a rehabilitated railroad plant, and a careful management paring of non-essentials. Also, as Mr. Norris' letter brings out, the South has been an expanding industrial territory and this has been stimulated by the war needs. Wealth of natural resources leads to the belief that these industries have added importantly to the permanent economy of the area, and of Southern Railway, even on a return to peace conditions.

The conservative long-term financial policies of the management are also a testimonial to the changed philosophy of new railroad management. Even before the road was benefiting from war-swollen earnings, and before the I. C. C. embarked on its drive to have railroads retire debt in periods of prosperity, the Southern Railway management had inaugurated its own aggressive debt retirement program. Mr. Norris points out that approximately half of the 1942 net income was diverted to this cause. This plus the use of treasury cash in the first two months of the current year resulted in the acquisition or retirement of roundly $23,000,000 of debt of Southern and its affiliates.

The I. C. C. recently took occasion to applaud the progress made by Mr. Norris and his associates, when it acted on the application of the company for authority to issue new equipment trust certificates. The Southern annual report brought out the fact that charges have now been reduced to an annual rate of $14,548,395 compared with $17,735,207 in 1930. Further substantial reductions are in sight over the balance of the period of high earnings, giving additional strength to the company's post-war outlook. While still holding to the conservative program of reducing debt, the management also found it possible last year to end the dividend drought.

RAILROAD SECURITIES

It took the investing and speculating public practically no time to realize the true significance of the decision on freight rate and passenger fare increases handed down by the Commission on Monday. The Commission suspended the freight rate increases from May 15, 1943, to Jan. 1, 1944, but let the passenger fare increases stand. These increases had been granted last year as a partial offset to wage increases allowed late in 1941, but they had been under attack by government agencies as exerting an inflationary influence.

The indicated attitude of the Commission had led to the belief that it would turn down the request of the OPA that the increases be cancelled, but this belief was somewhat modified by the President's anti-inflation orders of last week. Nevertheless, the decision came as a somewhat of a shock and the immediate market reaction was a fairly sharp price decline at the opening Tuesday. Railroad men considered the decision and its implications as favorable on the whole, and when the initial selling was well absorbed there was an almost immediate turn for the better. By the close of business Tuesday the major portion of the opening decline had been erased. The action of the market last week and early this week affords ample testimony to the fundamental strength of railroad securities and to the growing willingness of both speculators and investors to evaluate the broad background of the industry rather than day-to-day developments.

There are a number of reasons for minimizing any unfavorable effects of the rate decision. For one thing, the net cost to the railroads of the suspension of increases during the last seven and a half months of 1943 will be modest. It has been estimated that on the 1942 level of traffic the freight rate increases would yield only about $276,000,000 annually. Railroad operations in the last half of the year are generally higher than in the first half so that the gross loss of revenue from May 15 on should be about $184,000,000. Many of the railroads are now in the excess profits tax brackets and the total income tax bill of the industry this year will run above 50%. Therefore, the net cost of the recent decision will probably be less than $90,000,000. In contrast, net income of the industry last year ran close to one billion dollars. Also, it is estimated that net income of the Class I carriers for the first two months was about $75,000,000 above a year ago, or nearly enough to offset the possible loss from suspension of rate increases.

There are other favorable implications to be found in the recent developments. Statements of some of the Commissioners in connection with the decision appear to point very definitely to the opinion that suspension of the rate increases will go far towards eliminating the threat of more than a nominal increase in wages at this time. This prospect also finds support in the wording of the President's anti-inflation orders of a week ago. If the rate decision is instrumental in avoiding wage increases it will certainly be very bullish on balance. The wage increase being requested is much more substantial than the revenues sacrificed. Also, the rate increases were temporary in any event, having been scheduled to expire six months after the end of the war, while past history indicates that any wage increase must be accepted as a permanent burden.

Finally, the firmer attitude of the Administration on prices and wages (the Commission decision coming when it did certainly must be considered an integral part of this policy) is calculated to result in the control of the railroads' costs for fuel and materials. These are also more important than the rate increases by themselves. All in all, we would consider that the net effect of the recent moves will be to assure the railroads of a considerably higher income this year before taxes than they realized last year. Final net results will depend, as in every other industry, on the nature of the 1943 tax bill and in this respect the carriers will at least retain their relatively sheltered position.

The effects of the rate decision will vary widely as between different roads, depending on traffic makeup and tax position. Roads carrying a relatively heavy volume of agricultural products and bulk raw materials such as coal and iron ore will be in a favored position with respect to a possible decline, as will roads in the highest tax brackets.

Interesting Possibilities

The First and Refunding Mortgage 4s of The Delaware and Hudson Company, under the proposed plan of debt adjustment, with their high yield and unusual profit possibilities, warrant acceptance of the "business man's risk" at current prices, according to a circular just issued by Hardy & Company, 30 Broad Street, New York City, members of the New York Stock Exchange. Copies of this circular, discussing the situation in detail, may be had from Hardy & Co. upon request.

Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

When the Dow-Jones Industrial Average was originated in 1897 it was composed of the stocks of 12 leading industrial companies. Today it is composed of the stocks of 30 leading industrials, only two of which were in the original group of 12. This illustrates how relatively short-lived may be industrial leadership, and how vulnerable it is to the impact of technological progress, new inventions, style changes, and other obsolescence-producing factors inherent in a constantly changing industrial civilization.

In the case of insurance, however, the situation is entirely different, for insurance provides a protective service which is essential, universal and irreplaceable. Technological changes which create new industries but destroy old ones offer no threat to insurance companies, per se, on the contrary, such changes more often than not open up to them additional avenues of business. For instance, the new industry of aviation offers competition to the automobile industry, the trucking industry, the railroads, etc., but furnishes a new line of insurance for fire and casualty companies.

The tendency, therefore, is for insurance leadership to endure. Thus we find that the leading fire insurance companies of 50, 100 and 150 years ago are also the leaders of today.

Insurance Company of North America: age 151 years: the oldest fire insurance company in the country. It was founded in Philadelphia in 1792, 16 years after the Declaration of Independence, and while George Washington was President of the United States. It has paid dividends without interruption for the past 70 years. With total admitted assets of $121,625,000 it is the second largest stock fire insurance company in the country.

Providence-Washington Insurance Company: age 144 years: the oldest stock fire and marine insurance company in New England. The Providence Insurance Co. was organized in 1799, and the Washington Insurance Co. in 1800. The name of the latter was in tribute to the memory of George Washington, whose death occurred in the month prior to organization. In 1817 the two companies merged. Both companies originally engaged only in marine underwriting, but refused risks on vessels in the slave trade. Dividends have been paid without a break since 1907.

Hartford Fire Insurance Company: age 133 years: established two years before the War of 1812, it is the oldest of Connecticut's stock fire insurance companies, and the third oldest in the United States. With total admitted assets of $133,642,000 it is the largest in the country. It has paid dividends without interruption since 1873.

Fire Association of Philadelphia: age 126 years: started business in 1817, the year in which James Monroe, fifth President of the United States, began his first term of office. Originally it was a mutual association entitled "The Trustees of the Fire Association." It became incorporated in 1820 and adopted its present name in 1833. It has paid dividends without interruption for the past 71 years.

Aetna Insurance Company: age 124 years: founded in 1819 in Hartford, Conn., by Joseph Morgan, grandfather of J. Pierpont Morgan, Sr. The name "Aetna" was taken from the famous mountain on the east coast of Sicily which, "though surrounded by flame and smoke, is itself never consumed." It has held an outstanding position in the field of fire insurance for more than a century. Dividends have been paid without a break since 1873.

North River Insurance Company: age 121 years: organized in New York in 1822, during the depression which followed the War of 1812, and one year before President Monroe enunciated his famous "Monroe Doctrine." This old-line company is managed by Crum and Forster, who also manage eight other companies, including United States Fire Insurance Company and Westchester Fire Insurance Company. It has paid dividends without interruption over the past 105 years.

United States Fire Insurance Company: age 119 years: incorporated in New York in 1824 when James Monroe was still President, and four years after the purchase of Florida from Spain. In 1904 control of the company passed to Crum and Forster. It is the largest member of this fleet. The company has paid dividends uninterruptedly during the past 33 years.

Franklin Fire Insurance Company: age 114 years: incorporated in Philadelphia in 1829 and named after Benjamin Franklin, America's patron saint of fire insurance and thrift. It started business toward the close of the second depression which followed the War of 1812 and at the beginning of Andrew Jackson's administration. In 1915 control passed to Home Insurance Company, when it became a member of the "Home Fleet." Dividends have been paid each year since 1831.

Security Insurance Company of New Haven: age 102 years: chartered in 1841 by the General Assembly of Connecticut as The Mutual Security Insurance Company. The present name was adopted in 1873. Its uninterrupted dividend record extends back to 1894.

Camden Fire Insurance Association: age 102 years: commenced operations as a mutual institution in 1841. It became a stock company in 1870 and has paid dividends without interruption since 1874.

Springfield Fire & Marine Insurance Company: age 92 years: organized in Massachusetts in the year of the California Gold Rush, it began business in 1851, in time to enjoy six years of "California Gold Inflation Prosperity" before the panic of 1857 hit the nation. It has paid dividends without interruption since 1867.

Hanover Fire Insurance Company: age 91 years: began business in New York City in 1852 during the boom years which followed the discovery of gold in California, and at a time when the slavery question was being hotly debated by Daniel Webster, Henry Clay, John C. Calhoun, and others. Dividends have been paid without a break over the past 83 years.

These ten companies by no means exhaust the list of old-line leaders, which also are counted among the leaders of today. Space, however, does not permit more sketches, and the best that can be done at this point is to name other leading companies with an age in excess of 50 years, as follows: New Brunswick Fire Insurance Co., 117 years; New York Fire Insurance Co., 111 years; Westchester Fire Insurance Company, 106 years; American Insurance Co., 97 years; Glens Falls Insurance Co., 93 years; Pacific Fire Insurance Co., 92 years; Continental Insurance Co., 90 years; Fidelity-Phenix Fire Insurance Co., 90 years; Home Insurance Co., 90 years; St. Paul Fire & Marine Insurance Co., 90 years; Phoenix Insurance Co., 89 years; Firemens' Insurance Co., 88 years; National Liberty Insurance Co. of America, 84 years; Globe & Republic Insurance Co. of America, 81 years; Fireman's Fund Insurance Co., 80 years; Agricultural Insurance Co., 80 years; New Hampshire Fire Insurance Co., 73 years; National Fire Insurance Company, 72 years; Great American Insurance Co., 71 years; Boston Insurance Co., 69 years.

Foster & Marshall To Be Members Of NYSE

Foster & Marshall, 1411 Fourth Avenue Building, Seattle, Wash. will become members of the New York Stock Exchange, with the acquisition by Albert O. Foster of the Exchange membership of Edwin D. Morgan, Jr.

Partners of the firm are Albert O. Foster, George W. Marshall, and Carl I. Carlsen.

Edward Costigan Dead

Edward J. Costigan, president of Whitaker & Co., 300 North Fourth Street, St. Louis, died of heart disease at the age of 68. Mr. Costigan had been with Whitaker & Co. since 1891, becoming a senior partner in 1925 and president in 1930. He was a member of the St. Louis Stock Exchange.

I. M. Simon To Admit Robt. Cobb As Partner

ST. LOUIS, MO.—Robert Harris Cobb will be admitted to partnership in I. M. Simon & Co., 315 North Fourth Street, members of the New York and St. Louis Stock Exchanges and other leading national exchanges. Mr. Cobb has been associated with the firm for many years. In the past he was head of his own securities firm in St. Louis.

New Williston Branch

J. R. Williston & Co., members of the New York Stock Exchange, announce the opening of a branch office in the Westchester Country Club, Rye, N. Y., under the management of Bertram C. Stetson.

DIVIDEND NOTICES

DIVIDEND

ARMOUR AND COMPANY

OF DELAWARE

On March 5, a quarterly dividend of one and three-fourths per cent ($1\frac{3}{4}\%$) per share on the Preferred Capital Stock of the above corporation was declared by the Board of Directors, payable April 1, 1943, to stockholders of record on the books of the Company at the close of business March 16, 1943.

E. L. LALUMIER, Secretary

CANCO AMERICAN CAN COMPANY

COMMON STOCK

On April 7th, 1943 a quarterly dividend of seventy-five cents per share was declared on the Common Stock of this Company, payable May 15th, 1943, to Stockholders of record at the close of business April 22, 1943. Transfer books will remain open. Checks will be mailed.

R. A. BURGER, *Secretary*.

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY

Roanoke, Virginia, April 5, 1943.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 13, 1943, at 10 o'clock A. M., to elect four Directors for the term of three years.

Stockholders of record at the close of business April 23, 1943, will be entitled to vote at such meeting.

L. W. COX, *Secretary*.

Tax Data May Be Had From STANY Committee

The new ruling obtained by the Tax Committee of the Security Traders Association whereby incoming registered mail items are fully exempt from the payment of the New York State Tax benfits out-of-town dealers who have hesitated to do business in New York because they have been confronted with the payment of the New York State tax—formerly amounting to substantial money because of the volume of business transacted.

Further clarification of the new ruling, which was reported in the "Chronicle" of April 8, may be had from the STANY Tax Committee, members of which are:

P. Fred Fox, P. F. Fox & Co., Chairman; John Laver, Edward Purcell & Co.; Frank Mackessy, Abbott, Proctor & Paine; Fred Preller, Eastman, Dillon & Co.; Willis Summers, Hoit, Rose & Troster.

Gardner F. Dalton Co. Formed In Milwaukee

(Special to The Financial Chronicle)

MILWAUKEE, WIS.—The firm of Gardner F. Dalton & Company has been formed with offices at 735 North Water Street, to engage in a general securities business. Partners of the firm are Gardner F. Dalton and Esther Swearingen. Mr. Dalton was formerly president of Dalton, Riley & Co., Inc. of which Miss Swearingen was also an officer.

Associated with the new firm will also be Charles W. Givan, formerly in charge of the railroad securities department of Dalton, Riley & Co., Inc. and prior thereto an officer of the Givan Company.

Carleton Davenport With Draper, Sears & Co.

(Special to The Financial Chronicle)

BOSTON, MASS. — Carleton Davenport has become associated with Draper, Sears & Co., 53 State Street, members of the New York and Boston Stock Exchanges. Mr. Davenport in the past was a partner in Davenport & Co.

William J. Lynn Opens

(Special to The Financial Chronicle)

BOSTON, MASS.—William J. Lynn is engaging in a general securities business from offices at 53 State Street.

Program To Salvage Fiscal And Monetary Solvency

In an enlightening article appearing in the "Chronicle" of March 4, bearing the above caption, Dr. Walter E. Spahr, Professor of Economics, New York University, and Executive Secretary of the Economists' National Committee on Monetary Policy, condemned various moves leading us into serious inflation and expressed faith in our ability to carry our post-war national debt without backbreaking taxation or resorting to currency dilution in any form.

Recognizing the vital importance of this subject, which will obviously constitute the foremost of our post-war problems, the "Chronicle" invited comments regarding the views and beliefs expressed by Dr. Spahr in his article. A considerable number of letters were received and those not previously reproduced in earlier issues are given below:

GEORGE H. WATSON, Scribe

The Great American Prospectors Association, Salt Lake City

Dr. Spahr's article in the March 4th issue of the "Chronicle" is like most of the chatter we hear these days.

Geo. H. Watson

Why in the name of God they do not come out for a "sound money of 14 ounces of silver to one ounce of gold" is far beyond the comprehension of a Prospector. Better stop chattering and get back of my 14-to-1 plan before it is too late. They all seem to see disaster ahead as we are going, but seem to fear a sound money of 14 to 1. Better beat the gun. You know what Jackson said: "The way to resume is to resume."

You can do it with the "Chronicle" if you dare start out with my "Sound Money of 14 to 1."

AN ANONYMOUS NEW YORK CITY BANKER

We admire Dr. Spahr's sound thinking and consistent position, and have followed with great interest practically everything he has written.

Another point in summary, which he may have avoided purposely to limit the discussion, might have been concerned with international matters including currency stabilization, the settlement of Lend-Lease claims and other international debts, and the treatment of problems involving the flow of international trade.

N. Y. Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

August H. Schenck retired from partnership in Teorge & Schiffer, New York City, as of April 8. Mr. Schenck's Exchange membership was transferred to Norman K. Toerge, partner in Toerge & Schiffer.

William V. Higgins, partner in H. C. Wainwright & Co., died on April 1, on which date his interest in the firm ceased.

Richard P. Loasby, member of the Exchange, died on March 27.

B. & M. Looks Good

The current situation in income mortgage A $4\frac{1}{2}$s of 1970 of the Boston & Maine RR. offers attractive possibilities, according to a circular just issued by McLaughlin, Baird & Reuss, One Wall Street, New York City. Copies of the circular discussing the situation in detail may be had from the firm upon request.

The Securities Salesman's Corner

A Change Of Scenery Is A Good Investment

Usually we try to write about different ideas that will be helpful to those who are engaged in the selling end of the securities business. One week it's a method of prospecting, or a sales letter, or a new approach to an old problem—but this week we are going to talk about YOU for a change. We're going to look at something that most of us overlook—and that's how we stack up as individuals after a hard Winter's work.

No matter how many good ideas we may have—no matter how good are our intentions toward doing a first-class job—unless we are in the right frame of mind—and physically up to par—it's more than likely we'll fall short of the mark. This holds true in all lines of work, but in the field of salesmanship (especially under today's conditions in the securities business) it is almost imperative that physical and mental capacity are right at the top.

The reason we're writing about this subject is that several days ago we had one of our periodic visits from an out-of-town friend. Every three to four months he leaves his job in Boston and takes a short two or three-day vacation. Either he runs down to New York and chins and chats a while with some of the fellows he knows—gets some new ideas—sees some new surroundings—or he goes to a vacation spot where he can just rest up and relax in a complete change of scenery.

While we were discussing the various things sales-minded individuals talk about, our friend mentioned how much his little trips away from his standard routine meant to him in renewed energy and even in earning power. He told us how he had left his desk just a few days before—feeling that even little tasks were quite an effort and that he knew he wasn't up to doing his best work. He also related the experience of several other men in his organization who had taken up this idea of a trip or a short change of scenery, whenever they felt that they needed it, and they, too, were able to go back to their work with renewed energy and vigor.

A type of work such as security selling requires more creative imagination and is a greater drain upon the nervous system than many routine jobs. For this reason it is essential that we pause at times and rebuild ourselves—just going on and doing a half a day's work when we should be putting forth our best efforts is really false economy. When you are rested, when the mind is alert, when you can think straight and true, when you feel like going out and seeing people and telling them all the "good things" a healthy and alert mind can perceive, when you feel confident of your success and realize that you know your business—that is the time to go to work—and you'll do business! If you don't feel this way now—better take a few days off and get "on the beam" again!

Tomorrow's Markets Walter Whyte Says—

By WALTER WHYTE

FDR talk burst inflation talk bubble, result—boom! Present break good chance to buy stocks for rally.

* * *

Last week's column was hardly out of the typewriter when the market stopped its fancy didoes and ker-plunk sunk sickenly. That, I suppose, makes me out some kind of a hero. For didn't I write here to watch out? Of course I did. I'm good, that's what I am. So what if there were others who said the same thing? I'm not interested in them. Let them go out and blow their own horns. Anyway, the market did break.

* * *

Last Thursday it began to teeter. The next day, Friday, somebody sneaked up behind it; gave it a shove and splash! it took an ungraceful dive. Saturday it came up slightly as if for air. Monday it started to climb out of the water. And as this deathless epic is picked out on the Remington, the market is sitting contemplatively on the edge of the pool, wringing wet and wondering if it is worthwhile to climb up the diving board again.

* * *

The impetus for the first bellywhopper came from Mr. Roosevelt's announcement that inflation must be stopped. A sort of "we gotta held 'em here, boys" statement that made everybody and his brother run in and sell their recently acquired stock holdings.

* * *

I find all this a little amusing, also rather naive. Inflation has yet to be stopped by anyone yelling: "They can't do that to me!" For the simple fact is, that "they" are doing it.

* * *

Perhaps it would be unkind to point out that Mr. Roosevelt's recent anti-inflation speech came just before the new War Bond drive. But

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Investment Trusts

Ten Reasons For NOT Owning Shares Of Mutual Funds

It takes all kinds of people to make a world. There is, for example, J. Throgmorton Whippet. He is decidedly against owning invesment company shares.

Mr. Whippet is the grandson of the man who launched the Whippet Lingerie Co., Ltd. It was his father's fondest hope that some day J. Throgmorton would run the family business. But when the younger Whippet developed tendencies to create startling innovations in the lingerie field, it was decided that he could serve best as Vice-Chairman of the Board.

Interviewed recently, J. Throgmorton put forth the following ten reasons for **not** owning invest company shares:

"1. Ever since I was made Vice-Chairman of the Board I have had a great deal of time for personal activities. I find trying to pick winners in the stock market an exciting hobby. Why should I let some one else do it and miss all the fun myself?

"2. My broker friend has some utterly gorgeous telephone numbers, but the cad insists that we mix business with pleasure. He doesn't sell trust shares.

"3. Selection is no problem for me. The financial pages of the papers are full of stocks if you just take the time to look for them. And then there's my barber—he's been in Wall Street 36 years.

"4. All this talk about diversification leaves me cold. My trading keeps me pretty well spread out all the time anyway.

"5. Supervision is another silly idea. What is the President of a company for? Or the Vice-Chairman? Why should the stockholders try to do their jobs? Anyway, I don't stay in anything long enough to get acquainted with the President of the company anyway.

"6. Details don't bother me; I have a great mind for them. Purchase dates, cost figures, dividend payments, brokerage fees, transfer taxes, sales figures, and sales dates don't give me a bit of trouble. And when I do slip up on some minor detail, I can always get our Assistant Treasurer to straighten things out. Good old Charlie!

"7. I never think about the income from my investments. With the trust fund the old man left me and my salary as Vice-Chairman of our Company, I just have to give any extra income to the Government anyway.

"8. Capital appreciation is a fine thing but I don't see why anyone should go out of his way to get it. Grandfather Whippet did, and look how many enemies he made.

"9. When I was in college I made quite a study of the law of supply and demand. It's amazing how important that law is in our lives. I like to watch it operate, especially in the companies my barber helps me pick. They sure do have their ups and downs! Without demand the supply doesn't matter; and the demand isn't any good either without supply. It's so simple I can't understand why those fellows down in Washington have so much trouble wtih it.

"10. You say with all the different stocks I've got, my estate will be in a mess when I'm dead? Who cares anyway? And not only that but it will serve my old bag right if it is. She's caused me plenty of trouble! Now you mention it, I think I'll buy a batch of those Canadian mining stocks just to get even with her."

So much for J. Throgmorton Whippet. The last census revealed that there are exactly 39 of him in the United States. Obviously, this exclusive group will have little need for mutual funds. But for the 130 million-odd Americans who aren't in this group, the

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Municipal News & Notes

State legislatures this year are concentrating on problems having a direct bearing on the nation's war program, as results of their efforts so far testify, the Council of State Governments reported.

Indicative of this, the Council said, are measures adopted by the 42 States convening in January which grant broad war powers to governors, cut taxes in the face of heavy Federal levies or apply new taxes to meet increased costs, attempt to solve manpower shortages, authorize post-war reconstruction planning, and protect rights of servicemen and women or grant them various exemptions.

Governors of three States—California, Connecticut and Vermont—were granted broad war powers by their legislatures and similar action is under consideration in a dozen other States. During a crisis the governors may issue orders, regulations and rules having the effect of law—powers similar to those given chief executives of nine other States, mostly eastern, last year and in 1941.

Four States have taken definite steps to alleviate wartime tax burdens of their citizens by reducing various levies. West Virginia repealed, over veto by the Governor, the State's 10-year-old personal income tax law which produced about $2,000,000 yearly; Iowa cut in half payments due under the State income tax law for 1943 and 1944, giving up revenues of about $5,000,000 a year; New York, continuing for a second year its 25% reduction in the State income tax, approved a law allowing deductions for medical expenses above 5% of net income, for insurance premiums up to $150 a year, and for children over 18 still in high school or college on a full-time basis; Wisconsin's legislature sent to the Governor a measure repealing the 60% surtax, which would result in a 37½% reduction for persons of low income and a somewhat smaller reduction for others. smaller reduction for others. The Wisconsin legislature recently passed this bill, overriding the Governor's veto.

On the other hand, Delaware enacted a 1% tax on gross incomes, to expire Dec. 31, 1944, and a cigarette tax of 1¢ per 10 cigarettes, to expire May 31, 1945. The income tax applies to every resident and every nonresident receiving a gross income of more than $12 a week as a result of work done or services performed in the State.

Idaho also levied a tax of ½ of 1% on liquor sold by State stores, proceeds to pay costs of temperance instruction in the public schools, while Arizona passed over the Governor's veto a law placing a 5% income tax on banks and their real property.

Iowa also amended its income tax law to cover war workers in Iowa temporarily, and adopted a measure permitting reciprocal agreements with other States to pay unemployment and other benefits to those who work in more than one State.

The increasing emphasis on developing a program to meet post-war reconstruction and development problems, and especially to establish reserve funds to pay for such programs, is shown in laws adopted by half a dozen States.

Chattanooga Increases Bonds Eligible For Exchange

The City of Chattanooga, Tenn., announces that it has made eligible for exchange an additional $503,500 of bonds maturing in the fiscal year ending June 30, 1947, of which not more than $125,000 are to be exchanged for series G bonds of 1965, 1966 and 1967, under the debt equalization plan. According to Wainwright, Ramsey & Lancaster, New York City, the city's financial consultants, of the $6,135,000 to be refunded, holders of $4,506,500 have consented to the exchange, leaving $1,628,500 remaining to complete the program.

Ohio Bridge Commission Reports 1942 Results

In connection with the annual report of the State Bridge Commission for the year ended Dec. 31, 1942, recently transmitted to Governor John W. Bricker, an interpretation of the year's operations, prepared by Ray Palmer, Secretary-Treasurer and General Manager, stated in part as follows:

Throughout the year 1942, the Bridge Commission experienced in a steadily mounting crescendo the impact of war-time economy. This reached a peak in December, with general gasoline rationing, when revenues on the Steubenville and East Liverpool Bridges dropped to slightly less than half the revenues of the preceding December, while revenue at the Sandusky Bay Bridge was off almost one-third. In contrast to these, Pomeroy Bridge revenue was nearly three times as high as the previous December due to a war industry in that area.

For the 12 months of 1942, the Sandusky Bay Bridge showed a revenue drop of 23.8% from the previous year; the Steubenville-Weirton Bridge revenue dropped 33.8%, and East Liverpool-Chester revenue was down 32%. Revenue of the Pomeroy-Mason Bridge during the year increased 188.6%, one of the biggest gains in the country.

Two of the commission's bridges—Steubenville and East Liverpool—carry highways which are extensions into Ohio of the Pennsylvania Turnpike, on which passenger car revenue showed a drop of 77.8% in December, and 57.7% for the year.

Notwithstanding this decrease in revenue, the Bridge Commission retired a total of $478,000 in bonds during 1942. This is $100,000 less than 1941's record bond retirement, but $111,000 higher than the best year prior to 1941. Bond retirement in 1942 reduced the total of outstanding bonds to $3,606,000. The original total of revenue bonds issued was $6,016,000.

The total operating revenue of the Commission's four bridges in 1942 was $727,281.36, as compared with $906,199.46 in record-breaking 1941.

At the year's end, the Commission had a balance in all funds of $559,294.44, most of which is available for the retirement of bonds maturing in 1943. This balance included $373.089.14 in sinking funds; $84,712.20 in reserve funds; $26,569.39 in tax reserve funds; $67,060.60 in revenue funds; $7,363.11 in revolving funds and $500 in petty cash funds. In the reserve, tax reserve and revenue funds are large excesses which may be transferred to the sinking funds for the retirement of bonds.

Operating expenses for the year were $181,985.55. This was an increase of $20,008.91 over the preceding year, which saw the lowest operating expense since the Commission has operated four bridges. This increase of $20,008.91 can be accounted for in one item—the cost of guards and other war-time protection against sabotage. Insurance premiums, which are paid every three years, became due in 1942 and account for an extraordinary expense of $31,208.62.

Non-operating expense of $79,764.79 was the lowest in the Commission's history. This is represented by interest on bonds, premiums on bonds retired, and fees paid to trustees and fiscal agents.

During the year, the Commission obtained a reduction of $290,000 in the appraised value on those parts of its three Ohio River Bridges lying in West Virginia. This will mean an annual savings in taxes paid to West Virginia of $4,770.84.

No. Caro. Revenues Swelled By Income Tax Receipts

State income tax collections of $21,910,148.92 in March sent the month's total General Fund revenue collections to $25,586,927.64, compared with a General Fund total of $18,435,053.38 for the same month last year. Income tax collection in March, 1942, were $15,339,785.

For the nine months of the current fiscal year, income tax collections are almost $9,000,000 ahead of collections for the same period last year. With a quarter of the fiscal year still ahead, total General Fund revenue collections already have topped last year's collections of $57,297,966.82, which broke all revenue records in the history of the State.

Total General Fund collections for this fiscal year are $58,806,659.50, compared with $47,397,992.26 for the corresponding nine months of the last fiscal year—an increase of $11,408,667.24, or 24.07%.

March gasoline tax and inspection fees for the highway fund again showed a decline. Total collections for the month were $1,337,425.46, compared with $2,072,356.33 for March, 1942, a decrease of $734,930.87, or 35.46%. For the nine months of the current fiscal year, gasoline tax and inspection fee collections were $16,987,491.87, compared with $24,609,411.97 for the same period last year—a decrease of $7,621,920, or 30.97%.

The entire revenue picture including the Highway Fund and General Fund collections, shows that during March the State collected $26,924,353.10, compared with $20,507,409.71 during March of last year. The increase is $6,416,943.39—31.29%. During the nine-month period of the current fiscal year, the State collected a total of $75,794,151.37, compared with $72,007,404.23, an increase of $3,786,747.14 or 5.26%.

Kentucky Liquor Revenue Halved By Rationing

The inauguration of liquor rationing in the State by distillers will result in a revenue loss to the State of between $600,000 to $900,000 in the consumption tax, according to an estimate made by Ward J. Oates, Commissioner of Revenue. This prospective decline, coupled with an anticipated falling off of about $4,000,000 annually in the production tax, will cut the State's yearly return from the alcoholic beverages imposts to about half of the normal figure.

The State last year realized $9,157,000 from the manufacture, sale and consumption of whiskey, beer and wine. The total will drop to around $4,500,000 in the next fiscal period beginning July 1.

A sharp decrease in receipts from the consumption tax of $1.20 a gallon already has been felt. In December and the first 27 days of January collections totaled $429,000; for the corresponding period a year ago, the total was $626,000.

Loss of the production tax of 5 cents a gallon was realized Nov. 1 when Kentucky distilleries shifted total output to war alcohol.

Securities Acts Harmful To Regional Exchanges, Howard Taylor Says, Urging Major Revisions

The regional securities exchanges throughout the country have suffered heavily as a result of the application of certain provisions of the Securities Act of 1933 and the Securities Exchange Act of 1934, Howard R. Taylor, of Howard R. Taylor & Co., Baltimore, Md., acting President of the Baltimore Stock Exchange, declares in a statement to the "Financial Chronicle."

"These Acts have imposed hardships upon the small exchanges and small business," Mr. Taylor states, "which it is believed were not anticipated by Congress when they were enacted.

"The small exchanges are now seeking relief through Congress from the apparent inconsistencies of the Acts and the burdensome requirements which now prevent the exchanges from securing new listings and at the same time deprive small companies of the advantages of listing their securities on a fair public market.

"It is felt that should Congress permit trading in **all** securities on the securities exchanges, where there is a record of all transactions and a definite commission charge, the result would not only benefit the small exchanges and small business, but would be to the best interest of the public, which was the primary reason for this legislation.

"With these facts in mind, the small securities exchanges have presented their problems to the Small Business Committees of both Houses of Congress, where they are now being considered.

"We consider this situation of paramount importance at this time, particularly to those brokers and dealers who are members of and believe in national securities exchanges as the only proper market for securities of all classes."

Mr. Taylor, in discussing the effects of the various provisions of the securities acts on the Baltimore Exchange, as reported by J. S. Armstrong, Financial Editor of The Baltimore "Sun," stated that the history of the Baltimore Stock Exchange prior to enactment of the existing legislation some ten years ago was one of steadily increasing listings, while today the reverse is true. Whereas there were 164 issues of stocks and 116 of bonds listed here on Jan. 1, 1933, there are only 49 issues of stocks and 24 issues of bonds on the local list at this time.

Delistings Threatened

"We are constantly threatened with delistings, and because of the provisions and regulations of the Securities Exchange Act and its administration by the Commission, it is impossible to secure new listings," he stated.

The local exchange has presented its problems to the Small Business Committees in both the Senate and House, and similar moves have been made by most of the regional exchanges, but no definite action has been taken.

The regional exchanges have asked for the following changes in the Securities Act of 1933:

Amend Section 3 (b) whereby the amount of securities, either bonds or stocks, to be exempted from registration with the Securities and Exchange Commission shall be increased from $100,000 to $1,000,000 and direct that such securities shall be exempted.

Changes In Act Proposed

The following changes in the Securities Exchange Act of 1934 have been requested:

Amend Section 12 by adding a new paragraph to be known as "(g)" to read as follows: "Notwithstanding any of the provisions in this section, the securities of companies having an annual report made by an outside certified public accountant may be traded in on all regional exchanges."

Amend Section 13 to exempt companies which file reports with any Governmental agency or State body giving sufficient information for the protection of the public.

Amend Section 14 to give exemption to those corporations having a share capital of $2,500,000 or less. (On the basis that the requirements are too onerous for smaller companies.)

Amend Section 16 to exempt directors, officers and principal stockholders of companies whose securities are listed only on regional exchanges. (For the reason that so often in smaller companies the sponsorship of the management is required to make a fair market to even out wide differences in price.)

Driving Business To New York

Mr. Taylor pointed out that the existing regulations have not tended to decentralize the industry as so often promised by the Securities and Exchange Commission, but on the other hand have obviously had the effect of driving business from the regional exchanges to New York City, aiding the concentration of business there.

"We feel that the public should be protected from the occasional person who takes unconscionable profits and practices other unethical devices," Mr. Taylor asserted. "But it is our opinion that the small exchanges can be of unlimited service in the economics of small business, particularly when this war is over and the demand for capital for small business to convert back to peacetime needs, resulting in greater employment, will be so urgent."

Personnel Items

(Continued from page 1372)

merly with Mason, Moran & Co., Blair Securities Corp., and Otis & Co. In the past he was head of the North City Company of Dubuque, Iowa.

(Special to The Financial Chronicle)

CHARLOTTE, N. C. — **Robert Donald Harris** is now connected with **Louis G. Rogers & Company**, Johnston Building.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**William T. Dillehunt**, previously with Quincy Cass Associates, is now with **H. R. Baker & Co.**, Bank of America.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Elwood Victor Seaman** and **Philip S. Weadock** have become associated with **Wyeth & Co.**, 647 South Spring Street. Mr. Seaman was formerly with G. Brashears & Company; Mr. Weadock was with Turner, Poindexter and Company.

(Special to The Financial Chronicle)

NEW ORLEANS, LA.—**C. Taylor Walet** and **Albert S. Yenni, Jr.**, have become affiliated with **Steiner, Rouse & Co.**, Maritime Building. Mr. Walet was previously with Merrill Lynch, Pierce, Fenner & Beane; Mr. Yenni was with Beer & Co.

(Special to The Financial Chronicle)

OAKLAND, CALIF. — **Fred B. Richardson** has been added to the **staff of Geo. H. Grant & Co.**, Central Bank Building.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.— **Raymond W. Colvin**, formerly with Franklin Wulff & Co., Inc., and Mason Brothers, is now associated with **Bankamerica Company**, 300 Montgomery Street.

Stock Market Comments

Profit-Taking

During the past nine days (These comments made by J. R Williston & Co. under date of April 10th.—Editor.) there have been clear indications of substantial profit-taking in the market under fairly heavy trading averaging for the past four days somewhat over 2,000,000 shares per day. Defaulted railroad bonds led the way, beginning their decline somewhat before the stock market. Yesterday the market opened rather weak under fairly heavy volume. It remains to be seen whether the recent profit takers will become sold-out bulls within the next few weeks with the market following its persistent upward course over the past 11 months reflecting much greater confidence and the persistent pressure of idle funds perhaps over $1,000,000,000 per month seeking employment via the securities markets. In the past it has been an axiom among the shrewdest traders that sharp temporary setbacks are a natural expectation in a bull market, particularly one which has risen considerably; but the astute investor or speculator in the markets abhors a gradual topping out of the market with each rally failing to reach the peak of the preceding rally. We think that this week's moderate reaction will provide opportunities for those who know security values and that factors such as able management, good financial position, favorable sales and earnings trend, etc., in selected companies soon overcome temporary declines in advancing markets.

Taxes

There is little clarity at this time concerning taxes for 1943. There is no indication that Congress will be more effective as to speed this year than in the past two years; accordingly, it is felt that Secretary Morgenthau's guess as to the earliest date for dependable indications as to 1943 taxes will be about September. We would suggest that investors estimate corporate earnings on the basis of a 45% normal and surtax rather than last year's 40%.

The probability at this early date appears that tax rates, having approached closely the point of diminishing returns, are unlikely to provide any important market shock in 1943.

The President's wage and price-freezing order is most interesting. It seems to indicate a swing to the "right." It certainly represents a change from previous Government policy since for several years the managers were trying to get prices up at all costs even at the cost of substantial deficits. The test of the new order will come when the final showdown is had between labor and the administration.

* * *

Airline Stocks

It is very true that air-transportation companies have enjoyed a very sharp increase in traffic volume and operating earnings. On the other hand, it is difficult in view of their record, both earnings and dividend, to justify current prices which in most instances are 100 to 150% or more

(Continued on page 1383)

Landon Criticizes "Dumb" Bureaucracy; Warns Of Dangers Of Fourth Term Drive

Alf M. Landon, former Governor of Kansas and Republican candidate for President in 1936, said on April 12 that President Roosevelt was seeking to perpetuate himself in office, and expressed the fear that the country faced shorter food rations and less oil next winter because the "bureaucracy in Washington is spending too much time on marketing and transportation problems, not realizing that the primary problem is production."

Mr. Landon voiced his opinions in an interview at the Hotel St. Regis, New York City, where he arrived from Washington.

Alf M. Landon

Regarding his views, the New York "Herald Tribune" of April 13 reported:

"It is perfectly obvious that Roosevelt won't leave the White House voluntarily," said Mr. Landon. "That is not a healthy condition. In a nation such as ours, where popular government obtains, ancient and modern history tells us that when its Chief Executive seeks to perpetuate himself in office, and succeeds, the inevitable result is the man on horseback.

"We saw that same trend in recent years in Italy under Mussolini and in Germany under Hitler, and it created the conditions that brought about the present war."

Mr. Landon said he believes the country ought to return to the pre-New Deal concept of American government, and added:

"That's what we're fighting for abroad, and we would be remiss if we did not fight for it on the home front."

Asked about the wheat crop, he said:

"We're going to be short of food because this administration is still thinking in terms of the depression cycle, and we're entering a period where all surpluses are turning into deficits."

"That was obvious a year ago, and, like all bureaucracies, our Washington bureaucracies could not make the necessary adjustments in time and continued going along the same old rut.

"For instance, they lifted the restrictions on winter wheat about three months ago when the season for planting was over five months ago. As a consequence, millions of acres lie idle that might have been sown in winter wheat, which is the most dependable crop of the high plains area.

"The same is happening in crude oil. We'll be short of crude oil if they keep on as they have been doing. Our crude oil production has been 200,000 barrels a day less in the last year than in the previous year. We've used 58,000,000 barrels we had in storage. The rate of new oil-field discoveries was the lowest in the last year than in the modern history of the oil industry."

After charging both these conditions to "the bureaucracy in Washington," Mr. Landon said:

"The oil situation is very serious because you can't discover new fields overnight. It takes months and years. So the raw product of oil and of food will turn up short. Surpluses are disappearing — if any still exist.

"The great weakness is the New Deal bureaucracy. Conditions change, but bureaucracies never. Bureaucracies are always dumb."

Mr. Landon charged that a soy bean processing plant remained idle in Topeka for 60 days before permission to operate could be obtained "from some bureaucrat in Washington." He said a similar condition obtained in Emporia, only there it was several months before the required permission was obtained from Washington.

"If Roosevelt & Co. paid more attention to raw products essential to our soldiers and our civilians and less time to trying to perpetuate themselves in office," continued Mr. Landon, "our folks at home would not be facing shorter rations and cold homes next winter. It is time they stopped thinking of a fourth term —and what comes after it."

Morgenthau Opens $13 Billion War Loan Drive

The $13,000,000,000 Second War Loan campaign was officially launched on April 12 by Secretary of the Treasury Morgenthau at a meeting in Carnegie Hall, New York City.

Speaking to a nation-wide radio audience, Mr. Morgenthau said that the money is needed to pay for the "greatest attack in history," which the United Nations are now massing for. The Secretary said that the need to raise at least $13,000,000,000 before the end of this month to buy materials and implements of war is "real, urgent, pressing." He explained that even though the Treasury is getting more money than ever before through taxes, "we cannot rely on taxes alone to do the whole job, and I wouldn't want to—because we could not tax with fairness on so huge a scale."

While pointing out that the Government could borrow all the money from the banks, since its credit is excellent, Mr. Morgenthau said that this was undesirable because of economic and social reasons and because "this is a people's war—so all of the people ought to have a part in financing it."

The Secretary went on to relate that "96 cents out of every dollar which comes into the Treasury, through war bonds, taxes, or anything else, is spent for war purposes. When you pay $18.75 for a bond, $18 go immediately into guns and planes and equipment. The 75 cents goes for the regular expenditures of the Government."

Mr. Morgenthau further stated:

"You can feel every confidence that the financial affairs of your Government are in good condition as the United Nations go on the offensive. The situation is well in hand. We know where we're going. We know how much money our armed forces will need.

"During this month of April we must get $13,000,000,000. We shall then have borrowed about $20,000,000,000 in the first four months of this year. We will need to borrow about $25,000,000,000 during the second four months, and without any new taxes, another $25,000,000,000 in the final period of the year; a total of about $70,000,000,000 for the year.

"I would like to assure you that we can afford it."

He added that while it won't be easy to raise this amount he has every confidence that the American people will provide it.

Mr. Morgenthau spoke at a meeting sponsored by a New York Citizens Committee headed by John W. Davis, in cooperation with the U. S. Treasury War Finance Committee. Other speakers were Governor Thomas E. Dewey, Mayor Fiorello H. LaGuardia, William Green, President of the American Federation of Labor; Philip Murray, President of the Congress of Industrial Organizations, and Thomas I. Parkinson, President of the Equitable Life Assurance Society of the United States.

CANADIAN SECURITIES

By BRUCE WILLIAMS

The effects of the war on basic industries have been much the same in Canada as here at home. Despite record production, net income is generally lower; rising costs and increased taxes have more than offset gains in volume.

One of the clearest presentations we have yet seen of these trends is contained in the annual report of Canadian Industries Limited. Steady expansion in the company's diversified activities, particularly in the chemical division, has taken place since the outbreak of war. During 1942 the greater part of approximately $2,000,000 capital expenditures went into the construction of a Nylon plant.

"Since September, 1939," states the company, "the predominant purpose of Canadian Industries Limited has been to obtain the greatest possible output of essential materials from those resources under its control." The results of this endeavor, expressed in terms of capital investment, sales, and earnings on the common stock, are shown in the following tabulation:

INVESTMENT, SALES AND EARNINGS
Percentage Increase over Average of Years 1936-1939

Year	Manufacturing Investment (Net)	Sales	Earnings Per Share
1939	5%	12%	$8.52
1940	10%	35%	7.27
1941	15%	68%	7.22
1942	21%	72%	6.12

"In a war economy," continues the statement, "the necessary policies adopted to convert the activities of the nation from peace to war have a more direct bearing on the profit accruing to the shareholders than the effect of the expansion in the investment of manufacturing facilities or the actual productive efforts of the organization." Which is a nice way of saying that to fight a totalitarian war, totalitarian measures must prevail and to hell with individual profit!

Looking beyond the war, however, these trends must be reversed. To quote again: "It is equally important that conditions should exist in the post-war years that will provide the widest opportunities for low-cost production of peacetime goods." To restore such conditions it will not be enough to abolish wartime restrictions. Burdensome taxes will need to be scaled down to levels more in line with legitimate peacetime requirements of democratic government.

In a second tabulation the report shows the variations in taxes, wages, selling prices and earnings during the war years as compared with the 1936-1939 average:

INDEX OF VARIATION FROM THE AVERAGE OF YEARS 1936-1939
(Average 1936-1939=100)

Year	Taxes	Total Salary and Wage Payments	Selling Prices	Earnings per Share Available for Dividends
Average 1936-1939	100	100	100	100
1940	303	132	100	101
1941	339	169	102	100
1942	299	201	102	83

The company's concluding statement on taxes sounds a warning to post-war planners in Government which must be heeded if the welfare of Mr. Wallace's "common man" is to be served.

"The experience of recent years has demonstrated that taxation can be employed to bring about fundamental economic changes but it must be recognized that the achievement of the expected advance in post-war living standards could be postponed indefinitely by the failure to eliminate the restrictive influence of the wartime taxation policies."

Effects Of President's Wage And Price Order

(Continued from page 1370)

may be checked, the new move does not solve the problems of farm labor, food supply and civilian distribution.

4. Insistence on higher taxes (apparently mainly individual), lessened spending and greater saving is renewed.

5. Political pressure for higher wages and higher farm prices will continue.

6. Though the Order to keep wages stabilized may be intended to placate farmers, the latter feel that labor has already received much greater favors than farmers, who will probably continue to feel that their problems are slighted.

7. It is still not proven that the new Order will actually stabilize prices and wages, any more than previous pronouncements have.

8. Renewed and stronger opposition in Congress to the Administration appears likely, reflecting disunity and dissatisfaction among the public. This may point ultimately to a political overthrow pleasing to business quarters, but is not helpful to the war effort.

* * *

The above are preliminary observations, and the situation might be changed substantially later through public and Congressional reactions. The effects of any such changes on the market cannot be foreseen now.—Economics and Investment Department, **National Securities & Research Corporation.**

Nichols Milbank Jr. With J. A. Hogle Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Nichols Milbank, Jr. has become affiliated with J. A. Hogle & Co., 532 W. 6th Street. Mr. Nichols was formerly with Sutro & Co. and prior thereto was an officer of the Pacific Company of California with which he was associated for many years.

Jacob Newman Dead

Jacob K. Newman died at his home near Johnsville, Pa. at the age of 71. Mr. Newman was president of Investment Associates, Inc. of New York and a New Orleans investment broker for many years.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1375)

the similarity is suspicious. Anyway, inflation doesn't begin because anybody makes a speech and neither does it stop because a President or a befuddled Congress makes speeches. Inflation has its roots much deeper. What is needed is not more laws or new regulations but a real effort to e n f o r c e the ones already in existence.

* * *

Everybody knows that the departments empowered to enforce anti-inflation laws have so far given only lip service. Whether they intend to do anything more in the future is open to speculation; yours as well as mine. But it is a cinch that the longer they hold off the harder will the job be when they get around to doing it. No, dear reader, inflation is with us and all the stagey talks either by FDR or so called official spokesmen will do little to stop it. That being the case, this reaction would be a good chance to get into some of the stocks you have been looking at longingly but felt were too high. But before we go into that, I think I'd better review our situation again.

* * *

In last week's column I mentioned a list of stocks recommended here in the past, their near term profit points and their stops. Here they are again. Bethlehem Steel dodged its profit taking price by one point and sunk to 63½. Your stop was 64. Result, a gross profit of 5 points.

* * *

Goodyear didn't get up high enough but it did break its stop, so your profit (having bought it at 22½) is about 9 points.

* * *

International Harvester got above the profit taking price (70) by a point and a half. Having bought it at 43 you took a tidy profit of 27 points.

* * *

Superheater didn't get to either the profit or the stop figure, so last week's figures are still in force.

* * *

Inadvertently I overlooked U. S. Steel in last week's column (than which there is no crime more heinous). Imagine anybody forgetting Big Steel! So here it is. Stop Steel at 53 (you bought it at 50) and take partial profits across 58.

* * *

Now for some new buys: White Motors 16-17, stop at 15; profits at 20 or better.

* * *

Air Reduction 40-41, stop at 38. Profits at 44 or better. That's all for new buys this week.

* * *

From now on you can look for rapid moves in both directions. Whether or not the next up move can take prices through last week's highs, makes little difference. If they manage to get to them, they will have accomplished enough for the time being. Frankly, I think the market will just manage to avoid getting to those highs—though some stocks may improve on them—and then turn down again. But the prices given above have taken that into consideration.

* * *

B. S., Los Angeles, Cal.—Thanks for your sentiments. Sorry, I don't have any financial service except this column. I neither handle or wish to handle anybody's accounts. I have all I can do worrying about my own. Short position figures are now a matter of public record. The SEC publishes them regularly.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Our Reporter's Report

(Continued from first page)

was a widespread disposition to clean out speculative lines in secondary rail liens and at the same time a rather complete cancellation of standing bids before the opening.

Doubtless there would have been plenty of confusion and an unwarranted melting away of values, in many instances, but for the fact that the governors stepped into the breach.

They took upon themselves the task of arranging openings in many issues by bringing together scared sellers and potential but reluctant buyers who were worlds apart in their views.

True there were some wide losses on initial sales, but proceedings were orderly and as the day progressed fair recoveries were in order.

Sentiment was aided by reported plans of the railroads to seek legislation cancelling "land grant" rates which the government has long enjoyed, and by realization that since taxes would have absorbed much of the revenues accruing from the higher rates, the effect of the loss of such income might easily be exaggerated except in the case of "border-line" roads.

Debt Reduction Plans

The carriers doubtless will be as anxious as ever to go along with their plans for reducing outstanding indebtedness. But it stands to reason that the loss of revenues involved in the Interstate Commerce Commission's decision will slow the process down considerably.

Under a recent admonition from the Commission the roads had more or less earmarked revenues growing out of such rate increases for application to debts.

Accordingly speculators who have had considerable of a field day marketwise over a period of months will have to employ a bit more caution. Unquestionably the backlog of buying represented by the issuers' purchases for retirement will be curtailed measurably.

Call for Bids Due

Bankers are inclined to anticipate a call for bids for the Kansas City Terminal Railway's $49,000,000 of new securities along about next Monday.

Since the projected refinancing would not involve any call for new funds, it is not considered as offering any competition so far as the Treasury's drive is concerned.

Official discussion of the program is said to have arrived at the point where formal announcement should soon be forthcoming.

Plenty of Empty Desks

That the Wall Street bond crowd is giving its full stint to the Treasury's war bond drive becomes readily apparent from a look at the many empty desks around the various houses.

It's a cinch that the rank and file of firms will be well satisfied if the market maintains the even tenor of its ways for the duration of the campaign which began on Monday.

Aside from those partners and employes who are actually out on the selling line, many of those remaining to staff the offices are putting in a good part of their time doing yeoman service over the telephones.

Hitting Into High

The Treasury's drive is away to a flying start in the Second Federal Reserve District, even though bankers were not among those accorded places on the dias at Carnegie Hall when the campaign opened Monday night.

Up to the close of business on Tuesday night it was disclosed that the Metropolitan New York area had subscribed very nearly half its $3,000,000,000 quota in the initial two days.

Of the 132 savings banks in the state, it was disclosed 110 had entered subscriptions for $403,000,000 in the interval, compared with $327,000,000 for the entire group in the comparable period of the initial drive in December.

Investment Trusts

(Continued from page 1375)

shares of well-managed investment companies will continue to play a vital and growing role in their plans for the future.

* * *

Those who have the market jitters will do well to ponder the following quotation from the Parker Corporation **Letter** of April 10.

"The reasons behind the belief of many important economists that we are in the earlier stages of recovery in stock values may be summarized as follows:

"(1) Final v i c t o r y for the United Nations seems assured beyond all doubt.

"(2) Corporation taxes cannot go much higher and their earnings will continue good.

"(3) A fairly satisfactory approach to the problem of renegotiation of war contracts has been arrived at.

"(4) Government appears convinced that industry functions best under a profit incentive.

"(5) The probability of some degree of inflation—at least after the war.

"(6) The rise in security values to date appears to be only a correction of prices that were unduly depressed during early 1942.

"(7) The action of the London stock market, which often forecasts the movement in our own, points to a continuation of the advance here.

"(8) Representative common stocks are lower than usual in relation to earnings.

"(9) Excess public buying power, that cannot flow into the purchase of goods, seems likely to set up an important demand for good common stocks.

"(10) Business is geared to new efficiencies, new men, new methods, and new plant and equipment.

"(11) Capital, labor, management and governments are laying plans for easing the transition from war to peace and for promoting a subsequent period of prosperity.

"None of the foregoing is forecast of an uninterrupted rise in security prices. All markets correct themselves from time, but when the fundamentals are favorable, setbacks generally prove to have been buying opportunities."

Dividends

National Securities & Research Corp.—Distributions payable April 15 to stock of record March 31, 1943 as follows:

National Securities Series—	
Bond Series	$.10
Low-Priced Bond Series	.10
Preferred Stock Series	.11
Income Series	.10
Low-Priced Common Stock Series	.02
International Series	.16
First Mutual Trust Fund	.06

Private Enterprise—Initiative Essential

(Continued from first page)

vated in the field of international politics. America is not, never has been and will never be an isolationist nation. The term defines nothing. It is used for selfish interests and by some blind fanatics who see goblins. America must deal with the other nations of the world and America must assume leadership.

"The term internationalist is just as absurd. No sane man would think of wiping out national lines or so subordinating his own Government to a foreign authority. Isn't that what the United Nations are fighting to prevent? It is time for those who live under our flag to be Americans and keep America free, strong and self-reliant, and able to solve her own problems."

In criticism of the confusion and complexities which, he said, were caused by bureaucratic government in Washington, Governor Bricker, according to the New York "Sun," had the following to say:

"We are now living in an age of directives. We practice law by loose-leaf, or by ear. Every citizen is a violator by the clock. The farmer has to get permission from his county agricultural board to build a cow shed, even if he has the material on hand. The business man has to employ myriads of experts to keep from stumbling into an indictment or from being coerced into a consent decree."

Insurance Stock Index Up Again In March

The Insurance Stock Index compiled by Mackubin, Legg & Company, 22 Light Street, Baltimore, Md., members of the New York and Baltimore Stock Exchanges, shows both for fire and casualty stocks an increase during March over the previous figure for February, and a considerable increase over the same period in 1942. Copies of a recent bulletin giving figures and showing the upward trend in the stocks by means of a graph may be had from the Bank and Insurance Stocks Department upon request.

Success Of Second War Loan Drive Vital

(Continued from page 1370)

"It is significant and gratifying that the increase in the volume of trading and the rise in prices has not been accompanied by any enlarged demand of consequence upon the nation's credit resources. Brokers' loans as of the close of business on March 31, last, were only about 4½% as large as they were in 1929. Except with periods of government financing, such loans have been largely stationary during the last 15 months.

"Thus the organized securities markets are contributing to the ability of investors to buy bonds without competing with the Treasury for available credit. It is obvious, also, that the financial markets are not attracting any substantial new money which could be used for the purchase of Treasury securities. The flotation of new corporate securities has been greatly reduced. In fact, there has been a small decrease in the aggregate amount of seasoned corporate securities in which investors may place funds, because as corporations retired certain of their stocks and bonds they did not replace them with a corresponding quantity of refunding issues. In other words, the supply of corporate securities is definitely limited. There is no bottomless supply of stocks and bonds such as we had in the 1920's.

"A year ago, if an investor in stocks or other risk securities had a desire to transfer his funds into U. S. Treasury bonds, he would in many cases have been able to do so only at a financial sacrifice. Today he often is able to sell his corporate stocks and bonds at a profit. But this is not all. They are now readily salable, whereas not so many months ago it frequently was necessary to wait for buyers to avoid price sacrifices. It is evident, therefore, that a broad, active market is a necessary facility in the success of the Government's financing—an even greater bulwark than it was in last December's successful campaign."

Mr. Schram went on to say that "some of our dividends from our huge expenditure of treasure, sweat, tears and blood for war must be (1) the preservation of a revitalized American way of life, (2) the end of paralyzing trade barriers and economic nationalism which was a principal cause of this disastrous conflict, (3) vast technological progress which will open new economic frontiers, and (4) a return to the philosophy of an economy of abundance in place of the heterodoxy of an economy of scarcity."

In order to service the large post-war national debt, Mr. Schram said, "the enterprise and initiative of the American business man must be released . . . he must be encouraged to produce more and more for the benefit of society—for the benefit of producers and consumers alike—and he must be paid adequately for producing."

Tschannen At Newhard Cook

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Albert L. Tschannen has become associated with Newhard, Cook & Company, Fourth & Olive Streets, members of the New York and St. Louis Stock Exchanges. Mr. Tschannen in the past was in charge of the St. Louis office of Banning & Co., Inc. with which he was associated for many years.

New Brinton Partner

Francis T. Whelan became a partner in Brinton & Co., 1 Wall Street, New York City, members of the New York Stock Exchange, as of April 5.

Eliminate Violators Of Principles Which Should Be Basis Of Fair Labor Practice: Rickenbacker

Captain Edward V. Rickenbacker on April 12, at Columbus, Ohio, appealed to his home State Legislature to enact legislation "to eliminate the racketeers and all those who are prostituting the principles upon which fair labor practices and labor organizations should be based." Captain Rickenbacker also said that too much optimism, if it did not actually lose the war, would prolong it to an indefinite length of time, according to United Press advices from Columbus, Ohio, on April 12, from which we also quote:

Capt. Rickenbacker

Captain Rickenbacker said that the legislation should follow along the general lines of that recently passed in Colorado and should include:

The outlawing of strikes of any nature for the duration.

The suspension of the 40-hour week throughout the country.

The banning of the closed shop and the check-off system in all plants handling war contracts, and the prohibition of double-time payments.

The putting of workers on an "incentive" basis so that those who produce more will earn more.

He asked for the addition of a "fifth freedom" to the Atlantic Charter which would guarantee "freedom of opportunity, the freedom which built America."

"When men are told when they shall work and when they shall strike, when they are told how long they shall work and how much they shall produce, when ability, industry, initiative and individual enterprise are measured solely by a union scale, then freedom of opportunity has been destroyed and men have become little more than slaves of their own selfish leaders."

Captain Rickenbacker said it would take 15,000,000 men and 3,000,000 women in uniform to win the war, and added:

"We have the only remaining 'plus' in fighting manpower among the allied nations."

"One of the greatest underlying menaces at the moment," he continued, "is too much optimism, the assurance that Germany is going to crack, that she can't stand up much longer under the economic strain."

Contrary to 1914 in the first World War, when Germany was surrounded by "an iron ring" and had to draw almost entirely upon itself for its fighting resources, said Captain Rickenbacker, the Axis today is forcing the conquered countries to supply her with slave labor.

"That slave labor knows no such thing as a 40-hour week, 'featherbedding,' restricted efforts, slowdowns and strikes," he said.

Many of the accomplishments of our industry "have been made despite centralized government control and not because of it," the speaker went on, and "right there is one of the real 'bottlenecks' of our war effort; we are so sure of winning that it is tragic."

"We continue," Captain Rickenbacker said, "to measure it all in dollars of profit and not in lives of grand American boys who have been sent out to face death, and who will die and die while we count dollars.

"Are we to have two armies in this war, one to fight for their country and another to fight for dollars and power? You can answer that question with proper legislation.

"You won't be the first State to do it. Others already have had the courage to do so."

Such legislation will give the great disorganized majority of the men and women of labor a chance "to throw off the shackles of a well-organized minority, if they so desire," Captain Rickenbacker said.

The Future Of Airline Securities

(Continued from page 1371)

earnings with about ½ pre-war equipment and considerably reduced commercial mileage lent impetus to the favorable investor disposition toward air transport securities.

"In recent weeks, much attention has been directed to the increasing number of airline route applications presented to the Civil Aeronautics Board. Northeast Airlines wants to fly passengers, mail and express over a 23,000 mile route from a Boston terminus to nine or ten European cities, including Moscow. An 18-hour Boston to Moscow flight is envisioned at a cost no greater than that for a third-class Trans-Atlantic steamship passage. United Air Lines proposes to go into South America through 75% stock purchase of Mexico's 'Lineas Aereas Mineras.' Hawaiian Air Lines asks for a 2,600 mile passenger, mail and express run between Hawaii and Los Angeles. A Pittsburgh transfer company seeks permission to fly an air cargo line to carry heavy household goods anywhere in the United States and Alaska. The Civil Aeronautics Board is moving slowly in such matters and appears disinclined to grant any but a small number of immediately desirable route extensions. It is likely that prolonged, careful study of all applications in connection with the overall domestic and foreign airline picture will result in the postponement of most application grants until after the war. It has even been suggested that Pan-American Airways, foremost in pre-war international air commerce, offer stock participation to other domestic airlines for the purpose of organizing one large concentrated and non-competitive international company. Obviously there is a strong potential challenge to all domestic airline planning in the expressed determination of Great Britain and Canada, among others, to seek major representation in any international air transport activities which may be developed. Russia will assume a leading post-war position in world affairs, and may also be counted upon to enter the international competition for commercial air supermacy. The Dutch have expressed the view that they would rather close their air to American planes than lose their place in the international aviation picture before they have an opportunity to show what they are worth. The mounting importance of these problems is reflected in the emphasis placed on the necessity for post-war airway discussions in forthcoming United Nations' conferences.

"A number of recent Civil Aeronautics Board decisions not only foreshadow changes in the revenue outlook of air transport companies involved, but offer an indication of the trend of regulation in the industry. An Eastern Air Lines decision established a new low rate of .3 mills per pound-mile for mail transportation. This same rate was designated as the future measure of mail compensation for all airlines. The decision in the American Airlines case seems to settle rather conclusively the question of recapture of earnings. It now appears that there will be little danger on this score, but the Civil Aeronautics Board looks for voluntary passenger rate reductions and could at any time serve notice that rates are again under review should the companies fail to act on the Board's suggestion. In the American, Eastern and all subsequent cases, the Board's majority opinion reflects a disinclination to immediately limit earnings to a fixed rate of return on invested capital. For example, under the new mail rates, Eastern and American are estimated to be earning between approximately 30 to 40% on total investment, after all taxes and charges. However, in defining its approach toward arriving at a proper investment base, the Board held that 'rate of return should be predicated on funds actively and legitimately invested in the transportation enterprise.' This appears important, since consideration of the investment base will undoubtedly remain as a major factor in all subsequent rate cases. These actions carry a strong indication that the industry is considered as leaving its subsidized development period and entering upon a competitive independent phase under continuing close regulatory supervision. For the war period it would appear that maximum though progressively less profitable operations are in progress.

"Any approach to a determination of further substantial near-term profit possibilities in the airline stocks suggests consideration of the fact that they have experienced about the greatest price advance of any industry group since early 1942. At the present time the stocks of United Air Lines, Eastern Air Lines, American Airlines, TWA and Pan-American are selling, on average, at something over 12 times 1942 earnings. Despite inherent growth potentialities this appears to be a rather generous early discounting of possibilities which may not materialize for a good many years. It seems particularly true in contemplation of conditions which may likely produce some near-term earnings deterioration. Mail pay rate reductions could cut mail revenues substantially and meanwhile reduce airline excess profit tax exemptions which are based on total mail revenues plus average earnings in the base years. The CAB has indicated that all the larger lines, and some of the smaller ones, will be liable for excess profits taxes this year. Army contracts are undergoing revision and income from this source will no longer absorb as much of the general overhead as formerly. The CAB order to 11 domestic airlines to show cause why their fares should not be reduced 10% suggests lower passenger revenues.

"For the long term, no great power of imagination is required to envision post-war development of substantial transportation activities in all fields, much above that which existed in the years immediately preceding the war. The sheer advancement in the art of manufacturing and flying planes will give air transportation a powerful stimulous. The Lea-Bailey Bill, introduced in Congress on Jan. 11 of this year, reflects a progressive attitude as regards post-war aviation planning. While considering the many problems of air transport, its basic premise seems to be that the future national air transportation set-up should be entrusted to individuals who are completely familiar with the techniques of the industry and that attempts of legislative groups to negotiate the rights of air navigation will 'only lead to confusion and disappointment.'

"Currently, there are heard many claims for the cargo plane's future, some very logical and some almost reaching the realm of stargazing. The use of the airplane in our present war activity gives rise to this. Its flexibility is proving of immeasurable value in the job assigned it. Cost is an unimportant factor in our wartime transport formula. But in peace-time commerce, the dollar cost of transportation becomes all-important in determining the transport media to be used.

"Just as the airplane has been a terrifically destructive force in this war it can be an equally powerful constructive force in bringing about a new world civilization. It can change our methods of merchandising and distribution. The retail distributor will benefit from high speed air transportation in that he will be able to quickly replenish stocks and change inventories as sometimes becomes a necessity. It will develop new business and open up new areas now inaccessible for trade, which in turn will create new and more business for other forms of transportation. Passenger fares and cargo rates will come down and new communities, new products and resources, and new markets will be opened up. It thus appears that diversion of cargo from other forms of transportation should not be a matter of great concern to surface carriers because it will be a gradual process and the diverted cargo may very likely be more than offset by newly-created cargo. The airplane for the present and future for some time is limited to a highly specialized or supplementary means of transport where speed is of the essence. It is a priceless tool for improvisation where other transport means do not exist on a time or even cost basis. Briefly, limitations on the much-discussed post-war development of air cargo transport may be seen in comparative operating costs per ton-mile which are about 0.725 cents for railroad bulk freight, 3.00 to 4.65 cents for truck transport, and 10.5 cents for air cargo.

"Of comparative interest should be the fact that the stocks of the five major airlines previously mentioned have a total market value of about $170,000,000 for 5,500,000 shares which are almost entirely free of prior obligations. Compared with this the securities of New York Central and Southern Pacific have a combined approximate value of $1,600,000,000, C. & O. $555,000,000, Norfolk & Western $314,000,000, Pennsylvania RR. $1,100,000,000, and Union Pacific $670,000,000, taking prior obligations at par and common at market. For the long-term investor, representation in any or all of the three leading airlines, American, Eastern and Pan-American, is probably the most logical conservative course to pursue since these companies will undoubtedly continue to develop their leading positions in Trans-Continental, North to South, and International air transportation. For those not inclined to maintain a position in the industry at the present time in the face of the restricted medium-term earnings indications as outlined, it would be desirable to shift commitments to other groups which show more immediate promise."

Admit D. L. Taylor

DeCourcy L. Taylor was admitted to limited partnership in W. R. K. Taylor & Co., 120 Broadway, New York City, members of the New York Stock and Curb Exchanges. Mr. Taylor's membership in the New York Stock Exchange was transferred to Thomas W. Bartsch, another partner in the firm.

President Dedicates Jefferson Memorial

In dedicating the Thomas Jefferson Memorial in Washington on April 13, President Roosevelt declared that Jefferson proved that the "seeming eclipse of liberty can well become the dawn of more liberty," adding that "those who fight the tyranny of our own time will come to learn that old lesson."

Mr. Roosevelt said that in the dedication of "a shrine to freedom" the nation was paying a debt long overdue to Thomas Jefferson.

The President, in his talk, drew parallels between the present generation and Jefferson's time, saying that the nation today can better understand the third President's life than could intervening generations. Mr. Roosevelt stated that Jefferson "faced the fact that men who will not fight for liberty can lose it. We, too, have faced that fact."

The President added:

"Thomas Jefferson believed, as we believe, in man. He believed, as we believe, that men are capable of their own government and that no king, no tyrant, no dictator can govern for them as wisely as they can govern for themselves.

"He believed, as we believe, in certain inalienable rights. He, as we, saw those principles and freedoms challenged. He fought for them, as we fight for them."

The words chosen for the memorial, Mr. Roosevelt said, were Jefferson's noblest and carried the champion of freedom's most urgent meaning. These words are: "I have sworn upon the altar of God, eternal hostility against every form of tyranny over the mind of man."

The brief dedicatory ceremony, marking the 200th anniversary of Jefferson's birth, was witnessed by high officials, diplomats of many nations and many descendents of the author of the Declaration of Independence.

Eastern Oil Dealers Elect New Officers

At its meeting Tuesday night at the Hotel Biltmore, New York City, the Eastern Oil Royalty Dealers Association, Inc. elected the following officers:

President: Frank H. Winter, F. H. Winter & Co.

Vice-President & Treasurer: Herbert E. Teden of Teden & Company, Inc.

Secretary: Walter Tellier, Tellier & Co.

Board of Governors: Thomas G. Wylie, Wylie & Co.; Rudolph V. Klein, R. V. Klein Co.; Louis Bernstein, Louis Bernstein & Son; Frank H. Winter, F. H. Winter & Co.; and Herbert E. Teden, Teden & Company, Inc.

N. Y. Analysts To Hear

L. Scudder Mott of the National Securities and Research Corporation will address the meeting of the New York Society of Security Analysts, Inc. at their luncheon meeting to be held Friday, April 16. Mr. Mott's subject will be "The Investment Trust Tax Situation."

On Monday, April 19, Ralph Sterling, Merrill Lynch, Pierce, Fenner & Beane, will discuss recent developments influencing utilities. On Wednesday, April 21, George Van Gorder, Vice-President of McKesson & Robbins and President of National Wholesale Druggists Association will speak on recent developments in the drug manufacturing and distributing industries.

All the meetings will be held at 56 Broad Street, at 12.30 p.m. Because of the Good Friday Holiday, the Railroad Group's Forum scheduled for that day will be omitted.

The Future Of The Gold Standard

(Continued from first page)

an "International Fund." From an editorial in the "American Banker," issue of April 1, I quote the following:

"International monetary relationships always have been a colossal and delicate tangle. But after this conflict the tangle of international debts, resumption of international trade and payments, and internal national monetary stresses and price levels will be more huge and more delicate than ever, and complicating it will be the world social fact that nothing can be resolved on a purely monetary basis and in every case the powers will have to take into consideration the need for fostering world friendships and prosperity, world trade and world peace.

"In other words, just as in fighting the war, money and credit factors are subordinated and made servants of the production of victory, so also money and credit will inescapably be regarded as tools for winning the peace . . . .

"Sir Norman Angell, in a recent Town Meeting of the Air on post-war problems, answered a question about the need of a world currency by saying that we had one once, gold, but that it had been made unworkable by tariffs. That is to say, by instability, nationalism, fear of conquest and the lust for developing self-sufficiency and wealth in a protected economy within national borders.

"That problem will face any post-war currency scheme. World peace, and faith in the machinery thereof are essential to a world currency. It is that way within any nation, and it will be that way in the post-war world."

As Dr. Kemmerer states:

"By 1929, 40-odd countries, including most of the leading nations of the world, were again on the gold basis.

"During the decade of the twenties the economic and financial effects of the war, however, were very far from having been liquidated. Many countries found themselves in a state of great economic desequilibrium, with their highly nationalistic economic reconstruction resting upon insecure foundations and with their Government finances precarious.

"In the year 1929 the civilized world was thrown into an economic crisis reaching to the foundations of its political and economic life and probably more extensive in scope than had ever before been experienced in recorded history.

"Under the pressure of this crisis the recently and weakly reestablished gold standards again broke down throughout the world. Among the first to go were those of Australia and Argentine. Great Britain suspended gold payments in September, 1931, and this suspension was accompanied or quickly followed by a score of others, including those of Canada, the Scandinavian countries, India, Japan and Mexico. The United States broke in 1933 and France in 1936.

"We in the United States were on a paper-money standard from early March, 1933, until the end of January, 1934, when we adopted a new type of gold standard involving a 41% debasement in the gold content of our century-old legal gold monetary unit. The rather weak administrative type of gold standard we then set up still exists. This is the only monetary standard of consequence in the world at the present time that can be correctly called a gold standard. All other standards are paper-money standards.

"So long as the war lasts no one expects much to be done in the direction of monetary reconstruction."

The question in my mind is, if world conditions in the period from 1929 to 1936 were sufficiently bad to put every country in the world on a paper-money basis, would we not have to wait quite a long time in restoring a bankrupt and war-ridden world to the point of resuming operations even partially on a gold basis. One of the main reasons Great Britain and the United States were forced off the gold basis was the obvious impossibility of redeeming in terms of gold money the vast volumes of credit originating from depreciated inflationary transactions of other countries, depreciation of the credit of their Government banks, all involved in the world-wide trade of both countries and the transfer of such credits overseas to London and New York. It seems to me that a beginning might be made by establishing a new Bank for International Settlements with a gold foundation to serve as a focal point for adjusting the trade balances of nations. And only that. It could be humanly possible that even the learned Dr. Kemmerer and other highly rated economists might be thinking at this epochal time in human affairs in the destiny of nations too much in old conservative channels of thought. Is it not possible that all countries will have to have an elastic-managed currency adjusted to their own problems as an aid to getting back on their feet again. The gold standard is ideal in a well-regulated world, but to impose it upon the present confusion might conceivably prove to be the most retarding factor in restoration of hope, confidence and recovery.

I believe in the utmost production of all things necessary to human welfare and happiness, at the lowest possible price. Human needs are never satisfied. All real wealth is the product of human hands, which never produced more than the world can consume, unless man-made impediments of tariffs, politics, distribution or price stand in the way. I believe in the broad principle of free trade. Thus only can impoverished nations without gold ultimately get back on a gold standard through favorable balances of trade. Gold is only a measuring stick. The war will be followed by insatiable needs for everything in all countries. Individual countries can largely finance home production on internal credit. Exports and imports can be gauged by world gold prices, determined by supply and demand, administered through the Bank for International Settlements, it seems to me.

J. H. FROST
President, Frost National Bank, San Antonio, Texas

I am glad to say that I am in most thorough accord with Doctor Kemmerer's views with respect to the desirability of a return to the gold standard by all nations of the world. I agree that the "gold standard school" should "advocate a system that is international in character rather than national, a system in which the whole world would be expected to have the same monetary base—gold—and in which every country would enjoy a fixed par of exchange with every other country."

However, he might have improved his article by showing that the United States must itself reestablish the gold standard, whether all or any other nations do so or not. While it is true that a universal adoption of the gold standard would be to the economic advantage of every nation in the world, the ability of this or any other country to successfully adopt and operate its economy on the gold standard is in no sense dependent on the course which may be followed by other nations.

The four reasons which Doctor Kemmerer gives for believing that the "gold standard school" will prevail are very persuasive, and I most devoutly hope that his belief will become the fact. However, I am not as confident as he seems to be. His first reason is one which presupposes sound thinking on the part of "the people everywhere," and, further, that their will is to prevail. We voted for sound money, the gold standard, and economy in Government in 1932, but the will of the people in those respects did not prevail. The second reason is undoubtedly a perfect statement of why we should return to gold, but it presupposes that the same crowd who willfully took us off gold will confess their sins, seek forgiveness and mend their ways. The third reason is clear and unquestionably sound, but it was just as good a reason in 1933 and 1934 as it is today, and the same may be said of the fourth reason.

I fear that we may meet many difficulties in convincing our rulers of the soundness of the gold standard and the evils which always result from money-tinkering—witness the proposal to renew "for a longer time" the power of the President to change by proclamation the gold content of the dollar.

This letter is already too long. I am in full accord with the desirability of the seven measures suggested as helpful to a successful functioning of a post-war international gold standard, and I most heartily agree with the simple and lucid explanation at the end of the article—of why an international gold standard will be possible after the war.

M. ALBERT LINTON
President Provident Mutual Life Insurance Company of Philadelphia

In the last paragraph of the article Dr. Kemmerer points out that at the end of the war this country will own the great bulk of the world's monetary gold. He then goes on to say that we will be glad to sell our excess supply on very attractive terms to other countries that desire to return to the gold basis.


M. A. Linton

I do not care to enter into a public discussion with Dr. Kemmerer on this subject but I would be interested in having him enlarge somewhat on that statement. Does he mean that we shall be prepared to exchange our gold for equivalent quantities of imports on an attractive basis? Would this not mean that our exports would be cut down proportionately, with the result we might have two groups opposed to the program—exporters and producers within the country who would object to imports? Personally, I would hope that Dr. Kemmerer is correct in his conclusions, but I am wondering whether the program may not encounter rough weather when it comes to be applied.

W. L. DEAN
President, The Merchants National Bank, Topeka, Kansas

I find myself agreeing with Dr. Kemmerer that the gold standard school of thought will prevail and I think it is vital to the preservation of our economy that it does.

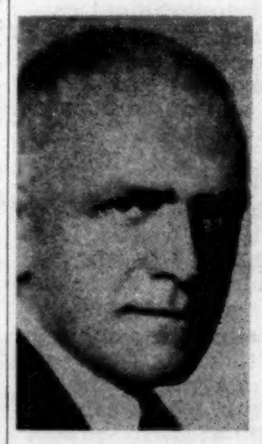
JEREMIAH D. MAGUIRE
President, Federation Bank and Trust Company, New York City

Dr. Edwin W. Kemmerer has given a most intelligent discussion on the subject "The Future of the Gold Standard." That he has left much unsaid as to the method by which his ideas may be executed, he frankly admits.


J. D. Maguire

Anyone attempting to forecast the methods of applying Dr. Kemmerer's philosophy would make a foolhardy effort. The prosecution of the program must be contingent on the international situation at the conclusion of the war.

LOUIS RUTHENBURG
President, Servel, Inc.


Louis Ruthenburg

While I can only express the opinion of an inexpert layman, it seems to me that the gold standard offers the only possibility of stable international relationships, and unless stable international relationships can be established and maintained our world will disintegrate steadily.

ROBERT STRUTHERS
Wood, Struthers & Co., New York City

I enjoyed Dr. Kemmerer's article very much, and think, as usual, his views are sound and his expression of them is clear. You invite me to express any thoughts that might have occurred to me as a result of reading Dr. Kemmerer's article. I rather doubt whether my thoughts are worth expressing, but for what they may be worth, I have a sort of hazy idea that we in this country and Britons abroad are not giving sufficient weight to Russia's point of view. I doubt if we can safely assume that Russia will tamely follow our lead or Britain's lead after this war, unless the Empire and the United States make a real demonstration by destroying the German armies on land and the Japanese forces on land and sea.


Robert Struthers

It is like the tradition of the old "Chronicle" to obtain and publish considered views of outstanding authorities on coming events, and I hope that you and your associates may long and profitably carry on the sound and splendid policies of your predecessors.

CHARLES E. RIEMAN
President, The Western National Bank of Baltimore

I find "The Future of the Gold Standard," by Dr. Edwin W. Kemmerer, very refreshing in its clear recital of fundamental facts as compared to the confusion of theories advanced by those who think they are wiser than the teachings of history.

Dr. Kemmerer has condensed a great deal in such a brief article and his simple division of thought renders the approach to the subject helpful to the layman. It brings out that gold has maintained its popularity through 2,000 years and more.

In all this time it has commanded a price in every country of what we call the civilized world. In other words, it speaks for itself and creates confidence which other forms of money cannot inspire. We had some hysteria some few years ago about the managed and commodity dollar, which fortunately has died out. In our time, before the war, and surely after the war, any monetary system will require some management, if for nothing else in the case of gold, to conserve our holdings and use them to the best advantage. It is my firm conviction that the gold standard outlined in general by Dr. Kemmerer is the only kind that should be undertaken.

BARRETT GREEN
Vice-President, The National Bank of Commerce of Seattle

As it now appears to us, the post-war currency problem does not center in the gold-standard question, but rather how the huge mass of credits which will exist at the end of the war can be adjusted to our economic life. Will there be a rise in prices sufficient to absorb this credit, will there be a capital levy which will decrease these claims, or will we have a managed economy where rationing is universal and where the ownership of credit is separated from its immediate purchasing power? In the latter case, capital claims such as currency, bank deposits, and bonds would be unavailable for their owner to use freely and, instead, only a limited amount would be permitted to enter the market. The indifference of many of our financial leaders to the creation of capital claims makes me wonder which of these solutions will finally be adopted. If Dr. Kemmerer would analyze these possibilities, it would be more useful to us than a discussion of gold versus paper money.

COLONEL DEAN WITTER
San Francisco, Calif.

While Army officers should not express opinions on controversial subjects, I think that I am safe in saying that those who believe in the payment of debts must subscribe to the Gold Standard. There must always be an international yardstick of value and I have never believed that managed currencies or any of the funny monies theories would work.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 12 that tenders for $800,000,000, or thereabouts, of 91-day Treasury bills, dated April 14 and to mature on July 14, 1943, which were offered on April 9, were opened at the Federal Reserve banks on April 12.

The details of this issue follow:

Total applied for, $1,359,630,000.
Total accepted, $803,925,000.

Range of accepted bids (excepting one tender of $10,000):

High, 99.925; equivalent rate of discount approximately 0.297% per annum.

Low, 99.905; equivalent rate of discount approximately 0.376% per annum.

Average price, 99.906; equivalent rate of discount approximately 0.373% per annum.

(43% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 14 in amount of $601,142,000.

John A. Coleman Nominated As Chairman Of N. Y. S. E. Board Of Governors

John A. Coleman, a partner in the firm of Adler, Coleman & Co., has been nominated to be Chairman of the Board of Governors of the New York Stock Exchange, it was announced on April 12 by the Exchange's Nominating Committee. Mr. Coleman, who was named to succeed Robert L. Stott, who was not a candidate for re-election, has been a member of the Exchange since 1924, a Governor of the Exchange since 1938, and Vice-Chairman of the Board since May, 1941. The Stock Exchange also notes:

John A. Coleman

"He was a member of the Conway Committee which developed the plan for reorganization of the Exchange in 1938 and also served on the Special Committee of the Board of Governors that, in 1941, selected the successor to Mr. Martin as President of the Exchange and prepared amendments to the Constitution for further improving the government of the Exchange. He is a director of the Stock Clearing Corporation, the New York Stock Exchange Building Company and the New York Quotation Company.

"Born Dec. 24, 1901, in New York City, his first employment was with the New York Stock Exchange, as a floor page, in 1916. Seven years later, at the age of 21, he became a member of the New York Curb Exchange, retiring from that Exchange in 1924 upon his election to membership in the New York Stock Exchange.

"Honored in 1937 when the late Pope Pius XI appointed him a Knight of St. Gregory the Great, Mr. Coleman was also made a Knight of the Order of Malta in 1940. He is Executive Chairman of the Archbishop's Committee of the Laity and a member of the Board of Trustees of Catholic Charities, Inc. An honorary degree of Doctor of Laws was conferred upon him by Manhattan College in 1937. He is a trustee of that college as well as of the Altman Foundation, and is Vice-President of the Hall Foundation.

"Mr. Coleman is Chairman of Appeals Board No. 5, Selective Service System, New York City, a member of the Executive Committee and Board of Directors of the Greater New York Fund, Inc., and a Director of National War Fund, Inc."

The Nominating Committee also announced the nominations for the other positions to be filled at the annual election on May 10.

Of the nine Governors whose terms of office expire with the coming election, five were renominated. They are Ernest L. Jones, a partner of Mallory, Hollister & Co.; Sylvester P. Larkin, at Peter P. McDermott & Co.; John Courtlandt Maxwell, a partner in the firm of Tucker, Anthony & Co.; H. Prenatt Green, a partner in the firm of G. H. Walker & Co., St. Louis; and Edgar Scott, senior partner of Montgomery, Scott & Co., Philadelphia.

One retiring trustee of the Gratuity Fund was also renamed—William D. Scholle, a partner of Scholle Brothers.

The names suggested to the Nominating Committee were reported in these columns of April 8, page 1289.

The full list of nominations follows:

For Chairman of the Board of Governors:

John A. Coleman, Adler, Coleman & Co., for the term of one year.

For Nine Members of the Board of Governors:

Four members of the Exchange residing and having their principal places of business within the metropolitan area of the city of New York:

Robert P. Boylan, at E. F. Hutton & Co., for the term of one year; William B. Haffner, Wilcox & Co., for the term of three years; Ernest L. Jones, Mallory, Hollister & Co., for the term of three years; Sylvester P. Larkin, at Peter P. McDermott & Co., for the term of three years.

Three allied members or non-members residing and having their principal places of business within the metropolitan area of the city of New York, who are general or limited partners in member firms engaged in a business involving direct contact with the public:

Irving D. Fish, Smith, Barney & Co., for the term of three years; John C. Maxwell, Tucker, Anthony & Co., for the term of three years; Percy M. Stewart, Kuhn, Loeb & Co., for the term of two years.

Two members or allied members or non-members of the Exchange residing and having their principal places of business outside of the metropolitan area of the city of New York, who are general or limited partners in member firms engaged in a business involving direct contact with the public, of whom not less than one is a member of the Exchange:

H. Prenatt Green, G. H. Walker & Co. (St. Louis), for the term of three years; Edgar Scott, Montgomery, Scott & Co. (Philadelphia), for the term of three years.

For Two Members of the Gratuity Fund:

Clinton S. Lutkins, R. W. Pressprich & Co., for the term of three years; William D. Scholle, Scholle Brothers, for the term of three years.

For Five Members of the Nominating Committee:

Three members of the Exchange: Stephen A. Koshland, Carl M. Loeb, Rhoades & Co., for the term of one year; James G. Purcell, Nugent & Igoe, for the term of one year; David W. Smyth, Filor, Bullard & Smyth, for the term of one year.

Two allied members of the Exchange:

F. Edward Bosson, Putnam & Co. (Hartford), for the term of one year; Herbert F. Boynton, F. S. Moseley & Co., for the term of one year.

Bolivia Decrees War Against Axis Powers

President Enrique Panaranda of Bolivia and his Cabinet on April 7 promulgated a decree putting Bolivia in the war as a partner of the United Nations against the Axis and calling for general mobilization. Bolivia is the second South American country to declare a state of war against the Axis—Brazil being the other. Whether Bolivia was entering the war against all the Axis powers, or like Brazil, was warring against Germany and Italy, but not Japan, was not immediately explained.

All the South American nations except Argentina have broken diplomatic relations with the Axis.

In Associated Press advices from La Paz, Bolivia, it was stated.

"The decree declared Bolivia's action was in harmony with agreements among the American republics for continental solidarity, and with Bolivia's position as a partner of the United Nations.

"It reaffirmed that solidarity, and ordered the mobilization to be carried out according to law, and directed that the National Defense Council adopt emergency measures authorized by the decree."

President Permits Debt Limit Bill To Become Law Without Signature—Objects To Salary 'Rider'

President Roosevelt announced on April 11 that he was permitting the Public Debt Act of 1943—raising the statutory debt limit from \$125,000,000,000 to \$210,000,000,000 and repealing his order limiting salaries to \$25,000 after taxes—to become law without his signature, "in order to avoid embarrassment to our war financing program."

In a formal statement, the President explained that had the circumstances been different he would have vetoed the bill but, even in allowing the legislation to become effective, he was registering his protest against the attachment of "an irrelevant and unwarranted rider." Mr. Roosevelt, in criticizing Congress for attaching the net salary repeal rider to the bill increasing the debt limit, said:

"There was attached to this bill in the House a provision which would have taken from the President the right to stabilize salaries until they were raised above \$67,200 or the annual rate paid on Dec. 7, 1941, whichever was the greater. This rider would have destroyed the entire stabilization program. It would obviously have been unfair to stabilize wages, and yet leave salaries free to rise to \$67,200."

It is pointed out that the \$67,200 is the gross amount of income which becomes \$25,000 net after taxes.

Mr. Roosevelt further said that to veto the bill might seriously retard the Treasury's war financing plans because the present debt limit was insufficient to cover the April war loan drive. He added, however, that if he signed the bill he "would be accused of giving my approval to salaries which most persons regard as excessive."

"This," said the President, "the Congress has successfully and effectively circumvented my power to veto."

Mr. Roosevelt contended that Congress, by rescinding his action limiting excessive salaries, has failed to recognize that "the essence of stabilization is that each should sacrifice for the benefit of all."

In his statement the President again urged that Congress "give consideration to imposing a special war supertax on net income, from whatever source derived, which after the payment of all taxes exceeds \$25,000."

The President had until midnight, April 10, to act on the Public Debt Act of 1943 since the measure was presented to him on March 30.

Final Congressional action on the bill came on March 25 when the Senate adopted a conference report, which the House had approved on March 24.

The report of the conferees accepted the Senate's version of the legislation, providing that no ceiling could be placed over salaries or wages below the highest level they reached between Jan. 1 and Sept. 15, 1942, the dates set up in the Stabilization Act. It preserves, however, the President's authority in that act to prohibit increases in wages or salaries above that level.

The original House draft of the repealer would have prevented salaries over \$25,000, after taxes, from being cut below the level on Dec. 7, 1941, the date of the Japanese attack on Pearl Harbor. The bill was originally passed by the House on March 12 by a vote of 268 to 129 and by the Senate on March 23 by a vote of 74 to 3, reference to which appeared in these columns March 25, page 1108.

The text of the President's statement on the Public Debt Act of 1943 follows:

"The Public Debt Act of 1943 is before me for signature. This bill increases the limitation on the face amount of obligations issued under the Second Liberty Bond Act that may be outstanding at any one time from \$125,000,000,000 to \$210,000,000,000.

"I pointed out the need for this increase in my budget message on Jan. 6. A bill to authorize the increase was introduced in the House of Representatives on Jan. 25 by Chairman Doughton of the Ways and Means Committee. The Treasury informed the Ways and Means Committee that the present debt limit would be insufficient to cover the necessary bond issues which would be required during the month of April.

"The Treasury has advised me that, to permit the execution of its war financing plans, the Public Debt Act must become effective without further delay. I am accordingly allowing the bill to become law without my signature, in order to avoid embarrassment to our war financing program.

"If the circumstances were otherwise, I should veto the bill. Even so, I cannot permit this legislation to become effective without registering my protest against the attachment to this bill of an irrelevant and unwarranted rider.

"There was attached to this bill in the House a provision which would have taken from the President the right to stabilize salaries until they were raised above \$67,200 or the annual rate paid on Dec. 7, 1941, whichever was the greater. This rider would have destroyed the entire stabilization program. It would obviously have been unfair to stabilize wages and yet leave salaries free to rise to \$67,200.

"This patently indefensible provision was eliminated in the Senate. But instead of dropping it altogether, the Senate substituted a provision removing from the act of Oct. 2, 1942, the President's authority, granted in terms by that act, to reduce wages or salaries 'to the extent that he finds necessary to correct gross inequities and also to aid in the effective prosecution of the war.' The effect of this provision, which was accepted in conference, is to terminate the authority given to and exercised by me to prevent the payment during the war of salaries in excess of \$67,200.

"The reasons which prompted me to exercise the authority conferred upon me are fully explained in the letter which I sent to Chairman Doughton of the Ways and Means Committee on Feb. 15. A copy of that letter is appended to this statement. As I explained in my letter, I agree with those who say that the limitation on salaries does not deal adequately with the problem of excessive incomes. Practical limitations ought, by appropriate taxation, to be placed on all income, earned and unearned. I urged and would have welcomed a special tax measure applicable to all excessive incomes from whatever source derived in place of the flat \$67,200 salary limitation.

"But the Congress has chosen to rescind my action limiting excessive salaries without even attempting to offer a substitute. The result is that Congress has authorized the drafting of men into the Army for \$500 a year, regardless of whether they are earning \$1,000 or \$100,000 a year, but has refused to authorize the reduction in the salary of any man not drafted into the Army no matter how high his income may be.

"At the same time the stabilization program enacted by the Congress requires wage increases to be denied to workers earning \$1,500 a year even when their employers are willing to pay those wage increases. The essence of stabilization is that each should sacrifice for the benefit of all. This principle the Congress has failed to recognize.

"Some two or three thousand persons who on Sept. 15, 1942, were receiving salaries in excess of \$67,200 may continue to receive them. About 750 persons will be able to receive salaries in excess of \$100,000; about thirty persons, salaries in excess of \$250,000, and three or four persons, salaries in excess of \$500,000.

"One hundred and thirty million Americans can make the stabilization program work even though a relative handful of persons are not obliged to cooperate as they should. The exemption accorded these excessively high salaries does not help morale, but American morale is too strong to be permanently injured by this ill-considered action.

"The act of Oct 2, 1942, set up a stabilization program covering wages, salaries and prices. It could, of course, be revised or repealed by the Congress but subject, under the Constitution, to the approval or veto by the President.

"The Congress, however, did not adopt this constitutional method.

"It chose to take away the authority of the President to adjust salaries which were grossly inequitable, not by a separate law but by attaching a rider to a bill increasing the debt limit.

"This system of attaching riders to bills relating to a wholly different subject has been used by former Congresses in a number of notable cases. Such abuses of sound legislative procedure have been protested by many former Presidents, and the practice has been condemned by sound opinion. It is noteworthy that the constitutions of many States require that a proposed law shall relate to only one subject.

"In this particular case the problem is easy to understand.

"If I veto this bill, with its rider, the Treasury's war financing plans may be seriously retarded. I have no means of assuring prompt action by the Congress prior to a great bond issue, the sale of which is about to start. I have no means of preventing indefinite delay if either branch of the national legislature should decide to recommit the measure to a committee for further study.

"If I sign the bill I would be accused of giving my approval to salaries which most persons regard as excessive in the midst of a war for the survival of this nation.

"Thus, the Congress has successfully and effectively circumvented my power to veto.

"All that remains to me is to permit the act to become a law without my signature.

"I am doing this with two earnest objections. The first is against the practice of attaching extraneous riders to any bill. The second is to make clear to the country that I still hope and trust that the Congress, at the earliest possible moment, will give consideration to imposing a special war supertax on net income, from whatever source derived, which after the payment of all taxes exceeds \$25,000.

"I still believe that the nation has a common purpose—equality of sacrifice in war time."

Robert Erb Now V.-P. Of Green, Wolfe Co.

CLEVELAND, OHIO — Robert L. Erb has joined Green, Wolfe & Co., Incorporated, N. B. C. Building, members of the Cleveland Stock Exchange, as vice-president and manager of the trading department. Mr. Erb is well known in New York and Cleveland trading circles having been in the securities business for the past 10 years starting with Tillotson & Company. Recently he was an officer of Dodge Securities Corp., where he specialized in real estate bonds, land trust certificates and unlisted securities.

Calendar of New Security Flotations

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern War Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, APRIL 17

NATIONAL FUEL GAS CO.

National Fuel Gas Co. has filed a statement for 402,042 shares of capital stock without par value. The shares are already issued and outstanding.

Address—30 Rockefeller Plaza, New York City.

Business—Is a public utility holding company owning stock of a group of operating companies and is not itself an operating company. Subsidiaries are engaged principally in the production and purchase of natural gas, purchase of by-product coke oven gas and to a small extent the production of manufactured gas, and in the transmission, distribution and sale, largely at retail, of natural and mixed gas.

Underwriting—Dillon, Read & Co. heads the underwriting group. Others will be supplied by amendment.

Offering—Price to the public will be supplied by amendment. The shares registered are outstanding shares owned, and being sold to the underwriters, by The Rockefeller Foundation. The Foundation owns 793,060 shares of the company's capital stock and is selling the shares being offered in order to reduce its ownership of such stock to less than 10% of the total outstanding shares, in view of the provisions of the Public Utility Holding Company Act of 1935.

Proceeds—Proceeds from the sale will go to The Rockefeller Foundation as the selling stockholder.

Registration Statement No. 2-5116. Form S-1 (3-29-43).

SUNDAY, APRIL 18

HOUSTON LIGHTING & POWER CO.

Houston Lighting & Power Co. has filed a statement with the SEC for 242,664 shares of common stock, without nominal or par value. The stock is already issued and outstanding.

Address—900 Fannin St., Houston, Tex.

Business—Operating public utility.

Offering—Price to the public to be supplied by amendment.

Underwriting—The shares to be offered are owned by National Power & Light Co. Statement which was filed by Houston says that latter has been advised by National that no firm commitment to purchase the securities registered has been made.

Proceeds—Proceeds from sales will go to National Power & Light Co. The proposed sale is part of the program of National to liquidate in compliance with an order of the Securities and Exchange Commission. As part of this program National proposed to divest itself of its entire holdings of Houston common through the exchange of its holdings of Houston common for its own $6 preferred on basis of two shares of Houston common for one share of National preferred. The total amount of Houston common offered was 500,000 shares, of which 257,336 shares were accepted in exchange to Dec. 31, 1942, termination of the offer. The stock being registered represents the balance of National's holdings after the termination of the exchange offer.

Registration Statement No. 2-5117. Form A-2 (3-30-43).

YORK CORRUGATING CO.

York Corrugating Co. has filed a statement with the SEC for 50,000 shares of common stock, $1 par value. The stock is presently issued and outstanding and does not represent new financing.

Address—Adams Street and Western Maryland Railroad, York, Pa.

Business—Normal manufacturing facilities are primarily designed for pressed, drawn and stamped metal products. About 95% of the company's manufacturing facilities are now devoted to war production.

Underwriting—Floyd D. Cerf Co., Chicago, is named principal underwriter.

Offering—Offering price to the public is $6.50 per share. Selling stockholders are Western National Bank of York, Pa., as trustee under the Benjamin S. Taylor Trust 28,013 shares, and Dr. Charles P. Rice, York, Pa., 30,750 shares.

Proceeds—To selling stockholders.

Registration Statement No. 2-5118. Form S-2 (3-30-43).

MONDAY, APRIL 19

SPROUSE-REITZ CO., INC.

Sprouse-Reitz Co., Inc., has filed a registration statement for 3,000 shares of nonvoting common stock, par value $100 per share.

Address—1900 N. W. 22nd Avenue, Portland, Ore.

Business—Operates a chain of 179 retail stores in nine western states, selling a wide variety of merchandise for cash and at unit prices ranging principally from five cents to $1.

Offering—The shares are to be offered at $100 per share first to present holders of all classes of stock ratably in accordance with their present holdings of stock. It is not expected that the entire issue will be subscribed by present stockholders, and any stock not so subscribed is to be offered at the same price, $100 per share, to the public, including particularly employees, associates and customers.

Underwriting—No underwriters are to be employed in connection with the sale.

Proceeds—To provide working capital to carry additional inventories for wholesale and retail stores.

Registration Statement No. 2-5120. Form A-2 (3-31-43).

SUNDAY, APRIL 25

SYLVANIA ELECTRIC PRODUCTS, INC.

Sylvania Electric Products, Inc., has filed a registration statement for 175,000 shares of common stock, without par value, subject to reduction depending on offering price and other factors.

Address—500 Fifth Ave., New York City.

Business—Prior to the development of its present wartime production manufactured and sold to the public electric incandescent lamps, radio tubes, fluorescent lamps and fixtures and other electronic products. At the end of 1942 about 85% of its products were going directly or indirectly into the war effort.

Offering—Price to the public will be supplied by amendment.

Underwriting—Paine, Webber, Jackson & Curtis; White, Weld & Co.; Lee Higginson Corp.; Estabrook & Co.; Merrill Lynch, Pierce, Fenner & Beane; Putnam & Co.; Graham, Parsons & Co.; Whiting, Weeks & Stubbs, Inc.; Brush, Slocumb & Co.; Yarnall & Co.; Minsch, Monell & Co.; Mackubin, Legg & Co.; Stein Bros. & Boyce; Herbert W. Schaefer & Co.; Van Alstyne & Co., and Wyeth & Co.

Proceeds—Upon issuance of the common stock company plans to call for redemption on 30 days' notice all of the outstanding 4½% cumulative convertible preferred stock, at the redemption price of $46 per share, plus accrued dividends. At the close of business March 23, 1943, there were outstanding 80,032 shares of preferred subject to redemption. The preferred is convertible at the option of the holders into common stock at any time up to the close of business on the third business day prior to the redemption date. Until the expiration of conversion rights the company states it is impossible to tell how much preferred will remain unconverted to receive the redemption price. Any balance of net proceeds not required for the redemption, so far as deemed advisable by the management, will be added to working capital with the expectation that it will be used upon and after termination of the war to meet conversion to a peacetime basis. Any proceeds not required for redemption and not added to working capital will be applied toward the purchase or redemption of a part of the company's outstanding 3¼% sinking fund debentures due June 1, 1957.

Registration Statement No. 2-5122. Form S-1 (4-6-43).

MONDAY, APRIL 26

PUBLIC SERVICE CO. OF INDIANA, INC.

Public Service Co. of Indiana, Inc., has filed a registration statement for $38,000,000 first mortgage bonds, series E, 3¼%, due May 1, 1973.

Address—110 North Illinois Street, Indianapolis, Ind.

Business—Public utility operating in the State of Indiana and is engaged principally in the production, generation, manufacture, purchase, transmission, supply, distribution and sale of electric energy and gas, and in the supply, distribution and sale of water.

Offering—Bonds to be offered for sale at competitive bidding under Rule U-50 of the Commission. Price to the public will be supplied by post-effective amendment.

Underwriters—Names of underwriters and amounts of underwriting will be supplied by post-effective amendment.

Proceeds—To be applied toward the redemption, within 40 days after the issuance and sale of series E bonds, of $38,000,000 face amount of Public Service Co. of Indiana, first mortgage bonds, series A, 4%, due Sept. 1, 1969, at 106¼% of the face amount which will require $40,375,000, exclusive of accrued interest and expenses. Any additional moneys will be paid out of other funds in the company's treasury.

Registration Statement No. 2-5123. Form A-2 (4-7-43).

WEDNESDAY, APRIL 28

INTERNATIONAL MINERALS & CHEMICAL CORP.

International Minerals & Chemical Corp. has filed a registration statement for 184,861 stock purchase warrants and 184,861 shares of common stock, par value $5 per share.

Address—20 North Wacker Drive, Chic.

Business—Engaged, directly or through subsidiaries, in the mining and sale of phosphate rock and preparation and sale of complete or mixed fertilizers.

Underwriters—Hornblower & Weeks and Hallgarten & Co. may be deemed to be underwriters as defined in the Securities Act of 1933.

Offering—A total of 150,000 stock purchase warrants are to be offered to the public at prices to be fixed by amendment. If the balance of 34,862 stock purchase warrants are offered the terms will be supplied by post-effective amendment. All of the present outstanding stock purchase warrants of the company were originally acquired by the First York Corp. Hornblower & Weeks and Hallgarten & Co. purchased 25,000 of the stock purchase warrants from First York Corp. and have the right to purchase additional warrants.

Proceeds—The company will not receive any of the proceeds of the stock purchase warrants being offered, but will receive $8.125 per share for each share of common stock, if any, sold through exercise of stock purchase warrants. Any proceeds received by the company will be added to the working capital.

Registration Statement No. 2-5124. Form S-1 (4-9-43).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN VITRIFIED PRODUCTS CO.

American Vitrified Products Co. has filed a statement covering the registration of $857,500 first mortgage 5% sinking fund bonds of Universal-American Corporation, the continuing company in a proposed merger.

Address—1500 Union Commerce Building, Cleveland. Ohio.

Business—Manufacture and sale of sewer pipe, segment forms, flue lining, wall coping, hot top brick, drain tile, joint compound, chemical stoneware and other clay and cement products.

Underwriting—S. K. Cunningham & Co., Inc., Pittsburgh, has been retained by American to assist in the solicitation of securities in the proposed merger.

Offering—Plan proposes merger of Universal Sewer Pipe Corp. into American Vitrified Products Co., with the continuing company to be known as Universal-American Corp. Universal owns 70,000 common shares of American out of 177,029 common shares outstanding. In addition to the bonds registered, Universal-American will be authorized to issue 250,000 shares of the par value of $2 each. Proposed agreement of merger which has been approved by the boards of both companies provides for the following exchange of securities:

First mortgage bonds of Universal-American will be exchanged for preferred shares of American on the basis of $50 face amount of bonds for each preferred share of American. One share of Universal-American will be exchanged for each common share of American; and 1¾ shares of Universal-American for each class A and each class B share of Universal. Holders of first mortgage 6% sinking fund bonds of Universal will be asked to exchange their bonds for a like face amount of first mortgage 5% sinking fund bonds of Universal-American upon completion of the merger. None of the first mortgage bonds will be offered or sold for cash.

Purposes—For consolidation.

Registration Statement No. 2-5104. Form S-1 (3-2-43).

Registration statement withdrawn April 6, 1943.

BURTONITE CORPORATION

Burtonite Corporation has filed a registration statement for 10,000 shares of 7% preferred stock and 15,000 shares of common, no par.

Address—2500-22 Fisher Street, Fort Worth, Texas.

Business—Manufacture of face brick.

Offering—Present offering consists of 2,000 units, each unit consists of four shares preferred and one share common, price per unit is $10.

Underwriting—None. Distribution is to be made by direct sales by the corporation of its treasury stock.

Proceeds—Expansion of plant facilities, installation of additional equipment and for working capital.

Registration Statement No. 2-5105. Form S-2 (3-5-43).

CELOTEX CORPORATION

Celotex Corp. has filed a registration statement for 75,000 shares of common stock, no par value.

Address—120 South La Salle Street, Chicago, Ill.

Business—Company is engaged in the building material business.

Underwriting—There are no underwriters.

Offering—The 75,000 shares of common will be offered by the company at $10.50 per share only to a selected group consisting of employees of the company, including officers and directors and those serving in a professional or advisory capacity and a limited group of persons having long standing business relations with the company to be selected by the board of directors. Statement says that recently, while the company was carrying on negotiations to augment its working capital by the issuance and sale of common stock, a substantial group of key employees of the company including certain officers and directors, joined in the formation of a syndicate with a view to the purchase of a large block of outstanding common stock from a single source which had indicated a willingness to sell. When reasons arose whereby the proposed purchase could not be carried out, the group acting through the syndicate requested the company to afford the syndicate members, as well as other employees, the opportunity to purchase the stock of the company then proposed to issue, at a price to net the company the same amount as though such stock were marketed through then available investment banking channels. The board determined that the stock to be sold should be offered to the selected group at a price of $10.50 per share. The syndicate has formed a voting trust for the common stock of the company.

Proceeds—Entire proceeds from the sale will be received by the company and used for additional working capital and for other corporate purposes.

Registration Statement No. 2-5112. Form A-2 (3-24-43).

Amendment filed April 9, 1943, to defer effective date.

CELOTEX CORPORATION

Bror Dahlberg, O. S. Mansell and Andrew J. Dallstream, voting trustees, have filed a registration statement for voting trust certificates for 150,000 shares of common stock of Celotex Corp. common stock, no par value.

Offering—(See Celotex statement No. 2-5112.) The syndicate has formed the voting trust for the common stock of the company, and an opportunity will be afforded to the members of the syndicate (mentioned in statement No. 2-5112) and to all others who purchase such stock, to deposit their shares of common stock thereunder and receive voting trust certificates. Additional shares of common may be deposited upon application of the holder and with the consent of the voting trustees, but voting trust certificates are not to exceed 150,000 shares of common stock.

Purpose—To form voting trust.

Registration Statement No. 2-5113. Form F-1 (3-24-43).

Amendment filed April 9. 1943, to defer effective date.

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage Bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956 and 140.000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas) serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2 (9-17-41)

Amendment filed April 2, 1943, to defer effective date.

MIDLAND COOPERATIVE WHOLESALE

Midland Cooperative Wholesale has filed a registration statement for $500,000 4% 15-year subordinated debenture notes.

Address—739 Johnson St., N. E., Minneapolis, Minn.

Business—Registrant is a cooperative association organized under the laws of Minnesota. It is a non-profit association. All of its common or voting stock is owned by cooperative associations doing business in the States of Minnesota, Wisconsin, Iowa, North and South Dakota. More than 85% of the common stockholders are associations of farmers.

Underwriting—None.

Offering—At face value. The notes will be dated as of the date of sale. Each note will mature on or before 15 years from its date. The notes will be issued in denominations of $25, $100, $500 and $1,000.

Proceeds—Will be used for part purchase of a refinery for the refining of gasoline, kerosene and other light oils, located at Cushing, Okla., together with pipelines, tanks, tank cars and inventories.

Registration Statement No. 2-5107. Form A-2. (3-17-43).

In an amendment filed April 5, 1943, company proposes to issue 5,000 shares of 3% non-cumulative preferred stock B, par $100, and reduces the amount of subordinated debentures to be issued to $250,000, the latter to be sold only to company's common stockholders at $100 per unit.

PACIFIC MUTUAL LIFE INSURANCE CO. OF CALIFORNIA

A. C. Balch, F. E. Rand and Leslie Waggener as the Pacific Mutual Shareholders Protective Committee have filed a registration statement with the SEC for voting trust certificates for 508,200 shares of common stock, par $1 per share, of Pacific Mutual Life Insurance Co. of California.

Address — Of issuer, 626 South Spring St., Los Angeles, Cal. Executive office, 523 West Sixth St., Los Angeles, Cal.

Business—Life insurance.

Purpose—The agreement places no limitation upon the powers of the committee to vote the shares held by it. However, one of the main objectives of the committee is to vote the securities held by them in connection with the said so-called plan and agreement of rehabilitation and reinsurance and mutualization affecting the Pacific Mutual Life Insurance Co. of California.

Registration Statement No. 2-5098. Form F-1. (2-19-43).

Amendment filed March 29, 1943, to defer effective date.

STOVALL PROPERTIES, INC.

Committee for Holders of Class B first mortgage 5% gold bonds of Stovall Properties, Inc., has filed a registration statement with the Securities and Exchange Commission for certificates of deposit for $956,500 of such first mortgage real estate bonds.

Address—Place of business of original issuer, Tampa, Fla. Address of committee, 711 Maritime Building, New Orleans, La.

Business—Operation of office buildings, and rental of store properties owned by it.

Purpose—In addition to the $956,500 Class B 5% mortgage bonds there are outstanding $8,125 Class A 6% first mortgage gold bonds. Both classes of bonds were dated Sept. 1, 1931, with maturity date Sept. 1, 1941.

Both classes of bonds bear interest at the rate of 8% after maturity. According to the registration statement the deposit of securities is desired in order to foreclose the mortgaged and/or pledged property, and, if need be, to bid in the property at the foreclosure sale for the benefit of the bondholders.

So far as is known to the committee, no steps have been taken by anyone to prepare a plan of readjustment or reorganization. Securities are to be called for prior to the proposal of a plan because from all information available, there is little possibility of any feasible plan of reorganization. The committee is of the opinion that the only feasible mode of procedure is to foreclose the mortgage, obtain title to the property either in the committee or in a corporate or personal nominee of the committee to operate the property for the benefit of the depositing bond holders and to seek a purchaser for the same. The members of the committee have found that prospective purchasers for the mortgaged property are unwilling to negotiate until title has been obtained through foreclosure. The deposit agreement is dated Nov. 25, 1942. The committee has not as yet fixed any limit to the period within which the bonds will be accepted.

Registration Statement No. 2-5083. Form D-1. (1-18-43).

fer effective date.

Amendment filed March 26, 1943, to defer effective date.

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati, Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share. Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed March 25, 1943, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the best possible price."

Amendment filed April 3, 1943, to defer effective date.

(This list is incomplete this week)

NYSE Governors Favor Revising Procedure On Special Offerings And Secondary Distributions

Emil Schram, President of the New York Stock Exchange, made known, on April 6, the approval of the Board of Governors of the Exchange of the report of the special committee which was created for the purpose of making a study of special offerings and secondary distributions "with the view to further development of Exchange policy." Mr. Schram added that the various recommendations will now be discussed with the Securities and Exchange Commission.

The members of the Committee which undertook the study were Albert H. Gordon, Robert J. Hamershlag, Joseph Klingenstein and Mr. Schram. Nine recommendations were made for improving the fundamental policy and administrative procedure covering special offerings.

In its report the Committee indicated that numerous hearings were held, at which members, allied members and non-members, representing the points of view of the distributing houses, commission firms, out-of-town firms, specialists and floor brokers, presented their criticisms and suggestions with respect to all aspects of the matter.

The report goes on to say:

"There was general agreement that the maintenance of the auction market is of first importance, in the interest of the public and the membership at large, and that everything should be done to preserve its efficiency.

"Such criticisms and suggestions as were presented to the Committee were addressed almost entirely to the mechanics and procedure in the handling of special offerings and secondary distributions.

"The principal criticism from a fundamental standpoint was directed to the fact that under existing policy the Exchange insists upon the handling of blocks, where practicable, through special offerings where the distributing firm might prefer a secondary distribution.

"It was contended by some that there may be circumstances in which a secondary should be permitted even though a special offering might be possible, and that, in the interest of proper administration, representation should be given to those in the distributing business on any group which may be consulted by the staff in arriving at decisions.

"The major criticisms regarding special offerings were with respect to

"(1) the inability of member firms to be certain that orders developed by them could be filled, because of the present method of allotting stock to members on a pro rata basis rather than on a firm basis, and

"(2) the possible difficulty in the handling of a distribution through a special offering made concurrently with the auction market.

"Other criticisms presented were with regard to

"(1) the inability to compensate customers' brokers and salesmen on a straight commission basis,

"(2) the inability to over-allot, and

"(3) the inability of members and member firms to participate on their own account and receive the benefits of the special commission.

"As to the criticism of the present method of allotments on special offerings, the suggestions for remedying this situation fell into three general categories: (1) that special offerings be made on a first-come first-served basis, (2) that the distributing firms be permitted to allot on an arbitrary basis as in the case of secondary distributions, and (3) that the mechanics of special offerings be changed so that a substantial portion of a block may be allotted on a firm basis, the remainder to be handled as at present on an allotment basis.

"With regard to compensation of customers' brokers and salesmen on a straight commission basis, it was argued that the Exchange's present policy is unrealistic and impractical; that while admittedly the end result may be the same, customers' brokers and salesmen generally are dissatisfied with the present method, and many of them are reluctant to interest themselves actively in special offerings.

"It was also contended by many active in the distributing business that, in the interest of maintaining the equilibrium of the aftermarket in the stock on the floor of the Exchange following a special offering, provision should be made for over-allotments, as in the case of secondary distributions. It was felt that, to avoid any possibility of abuse, such over-allotments could be limited to a maximum percentage of the block being distributed.

"Some of those who appeared, while in sympathy with the underlying objective of the Exchange in not permitting members and firms to receive the benefit of the special commission in taking down stock for their own account, felt that our rule in this regard is too rigid. It was contended that, since the main purpose is the sale or distribution of the block of stock being offered, members and member firms should be permitted to participate for their own account and receive the same benefit of the special commission as in the case of orders handled by them for the general public, after a special offering has been open for a minimum period of time so as to give preference to orders of the public."

The Committee's recommendations follow:

"1. Your Committee *recommends* that the Exchange continue its policy of permitting the auction market to be supplemented by authorizing both secondary distributions and special offerings, and that, administratively, substantially the same bases be used for determining whether a special offering or a secondary distribution should be permitted; that is, if a block cannot be disposed of in the auction market within a reasonable time and at a reasonable price, then consideration should be given to the possibility of a special offering; and if neither the auction market nor a special offering provides the required facilities, then a secondary distribution should be permitted.

"2. Your Committee is convinced that in changing the procedure with respect to special offerings, in order to bring them more closely into conformity with secondary distributions, the principal objections will be eliminated, and that the special offering method of distribution will thus be more generally acceptable. The Committee feels, moreover, that a decision as to whether a distribution may be affected through a special offering or a secondary should be arrived at only after the fullest consideration has been given to the viewpoint of the distributing house. It is *recommended* that the staff be instructed to consult in all questionable cases with a governor whose firm is active in the distributing business, in addition to other governors whose judgment as to floor conditions is needed.

"3. It is the feeling of your Committee that the procedure with regard to special offerings and secondary distributions should be otherwise amended so as to bring them, wherever practicable, more closely into conformity fundamentally and mechanically. To this end, it is *recommended* that the distributing firms be permitted, within their discretion, to supply stock to members on a firm basis, for allotment against orders up to 45% of the block being distributed, and that the remainder of the stock be allotted to members and firms (including those who receive firm stock) on a pro rata basis, for allotment in their discretion to individual customers.

"4. It is also the feeling of your Committee that, in furtherance of present requirements and especially in view of the foregoing, where a secondary distribution is approved the distributing firm should make available to members of the Exchange who are not associated in a particular distribution a reasonable amount of stock on the same basis as that allowed to selected dealers. It is *recommended* that this principle be adopted as a matter of Exchange policy and that the staff be instructed to examine from time to time into this phase of the secondary distribution of securities in order to assure its proper observance.

"5. Your Committee recognizes that the handling of a secondary distribution or special offering in the most economical manner possible is desirable in the interest of the public as well as of the member firms. It is, therefore, *recommended* that approved secondary distributions be permitted on an agency as well as on a principal basis.

"6. Your Committee feels that there is no valid reason why customers' brokers and salesmen should not be compensated on a straight commission basis on sales of stock involved in a special offering as is the case with secondary distributions. Likewise, it feels that over-allotments to a reasonable extent, up to say 15% of the block, should be permitted. We also believe that members and member firms should be permitted to take down for their own account stock which is the subject of a special offering and receive the benefit of the special commission, where a block remains undistributed after a reasonable period of time. It is, therefore, *recommended* that the staff be instructed to confer with the Securities and Exchange Commission with respect to the amendment of the rules and procedure governing special offerings so as to permit

"(a) compensation of customers' brokers and salesmen on a straight commission basis,

"(b) over-allotments, and

"(c) allowance of the special commission to members and member firms purchasing stock for their own accounts, after a special offering has been extant for some reasonable minimum period.

"7. It is the feeling of the Committee that experience with special offerings indicates that their success or failure is usually determined in less than the minimum period of three hours presently prescribed and that no useful purpose is served in requiring a special offering to remain open for three hours if the offering member firm, after a reasonable time has expired, desires to discontinue the offering. It is, therefore, *recommended* that the staff also be instructed to confer with the Securities and Exchange Commission with regard to reducing the minimum period to such time as the Exchange shall determine to be reasonable for a particular offering.

"8. Various suggestions were also made with regard to eliminating the 15-minute period during which a special offering must remain open following announcement of its effectiveness. In this connection, it was suggested that announcement be made on the New York Stock Exchange ticker as well as through the news services of a proposed special offering as soon as possible before the offering is actually made, preferably after the close the preceding day. Your Committee feels that some period of time following announcement of the effectiveness of a special offering must be allowed for receiving subscriptions to an offering and that 15 minutes is the practical minimum which should be allowed for this purpose. Your Committee feels that, wherever possible, the staff should require the announcement of proposed special offerings at least an hour before the offering becomes effective, and that distributing organizations should be urged to make such preliminary announcement on the New York Stock Exchange ticker tape at the earliest possible moment.

"9. Your Committee has considered the various suggestions with respect to permitting non-members to participate in special offerings and feels that this is a fundamental privilege of membership and should be so restricted."

Stock Market Comments

(Continued from page 1377)

above 1942 lows. We would be inclined to switch airline stocks, which have had such a sharp advance based largely upon their *post-war* prospects, into other groups which also have especially promising prospects after peace but which at the same time are more soundly valued in relation to a well-established earnings record (which, frankly, the air-transportation business does not enjoy) current earnings and immediate future prospects.

Preferred Stocks With Arrears

This class of security, in a number of instances, has been outstanding for large yield and substantial appreciation. At this time, Armour of Illinois Cumulative Convertible $6.00 Prior Preferred and $7 Cumulative $100 par Preferred, available at 57 and 60, respectively, should provide profit and eventual dividends to clients who prefer this type of issue. Earnings on the large $6.00 issue, of which there are 533,000 shares outstanding, were $20.85 per share for the fiscal year ended Oct. 31, 1942, $21.30 a share in the previous year, $8.56 in 1940 and $6.13 in 1939. Thus, in each of the past four years the company has earned its Prior Preferred dividend as shown by the company's consolidated income account, which includes the strong and profitable Armour of Delaware company. The $7 Preferred stock, after allowing for full dividends on the $6 Preferred, earned only $1.99 per share in the 1939 fiscal year, but $40.41 per share in 1940, $241.00 in 1941 and $234.00 in 1942, due to the fact that this is a rather small issue—less than 34,000 shares. It is anticipated that Armour of Delaware $7 Preferred may be refinanced at a considerably lower rate in the next year or so. It seems likely that the meat packing industry, in fact the food industry generally, will operate at capacity during the war and perhaps for two or three years after the war to restock the nation's depleted shelves and to feed a starving, war-ravaged world. Former Governor Lehman is now in England laying plans to feed Europe as and when various Nazi-occupied territories are recovered. It is presumed that most meat-yielding animals in occupied countries have been killed for the Nazi armies or shipped to Germany for the benefit of civilian workers. All reports from those returning from Europe lead to the firm belief that it probably will take at least two years and perhaps three to replenish Europe's livestock population. And, even before that, Russia probably will require much more food than we have yet sent and we have sent much.

Investment Type Stocks

For the many investors who constantly have the problem of investing a certain portion of their funds in stocks of good quality, we believe that such funds should be directed to companies headed by capable management. Next to management, at this stage of the market, we would prefer issues which have not advanced excitedly or which have not reflected the material improvement which we believe has occurred within their business or financial structures. We believe the following companies may be included among attractive stocks which are soundly valued and which have distinct promise:

American Home Products
Anchor Hocking Glass
Associated Dry Goods 1st $6 Pfd.
Bower Roller Bearing
Canada Dry
Consolidated Vultee Conv. $1.25 Pfd.
Dresser Manufacturing
General Mills
McKesson & Robbins
National Dairy
Swift
Sylvania Electric
Thompson Products
United Aircraft Conv. $5 Pfd.
United Fruit
Wilson & Co. $6 Pfd.

* * *

Among the most attractive low-priced issues we again call attention to the common stocks of *Emerson Electric Manufacturing Co., Mengel Co.* and *Wilson & Co.* The latter company successfully sold its $20,000,000 First Mortgage 3% bond issue day before yesterday. Mengel Co.'s $2.50 Cumulative Preferred stock offers a very attractive yield together with convertibility into 3 shares of common. Latest reports concerning Emerson are that the huge backlog which has continued to build up is now being converted into high monthly volume; the company is understood to have disposed of an old plant, at a substantial loss, which will be offset largely by excess profits taxes, which otherwise would have been paid on an equal amount of profits, thus increasing materially the company's working capital in the past 60 days. At the same time, Emerson has leased the plant for five years at a low rental so that the company will continue to enjoy its facilities during the war and perhaps for the first two or three years after the war when Emerson's currently accumulating backlog in normal products and latent markets should materialize in substantial business and profits.

—*J. R. Williston & Co.'s Research Department (Henry Gully).*

New York Stock Exch. Borrowings Higher

The New York Stock Exchange announced on April 5 that the total of money borrowed as reported by Stock Exchange member firms as of the close of business March 31 totaled $386,894,993, an increase of $31,259,789 over the Feb. 27 aggregate of $355,635,204.

The following is the Stock Exchange's announcement:

The total of money borrowed from banks, trust companies and other lenders in the United States, excluding borrowings from other members of national securities exchanges, (1) on direct obligations of or obligations guaranteed as to principal or interest by the United States Government, $75,368,500; (2) on all other collateral, $311,526,493; reported by New York Stock Exchange member firms as of the close of business March 31, 1943, aggregated $386,894,993.

The total of money borrowed as of the close of business Feb. 27, 1943, was $355,635,204.

Our Reporter On "Governments"

By S. F. PORTER

The drive is on . . . . $13,000,000,000 of new money to be raised with only $5,000,000,000 coming from banks and the balance from all sorts of investors with cash . . . The biggest loan campaign in the history of the world . . . The hardest distribution job in the history of the securities business . . . . The most crucial financing task we've had to face to date . . . . And all the figures we're reading now and are going to read over the coming weeks really are "under-estimates," for what we're out to get is $15,000,000,000 or more—enough money to carry the Treasury comfortably into mid-Summer and probably August . . . .

At this moment there is no point to discussing the new securities and the way the drive is going, for you're getting the statistics as quickly as any one else . . . And what we're hearing now are reports of first-out subscriptions which are always better-than-usual . . . . Suffice it to say that the drive is going over and must go over and will . . . . The market will be stabilized because it warrants it and because the authorities have the power and willingness to handle the situation . . . . And now to some less obvious points . . . .

One factor which deserves watching as this campaign progresses is the actual distribution of the issues . . . . The generally known fact is that only 340,000 subscriptions were placed to the December issue of nearly $13,000,000,000 and it doesn't take much knowledge to realize that number was entirely too restricted . . . . This time, subscriptions must be many times that figure, especially since $8,000,000,000 must be raised from non-banking sources . . . . That means a real door-to-door campaign, an honest salesmanship effort . . . . And it also implies a responsibility on the shoulders of investors to come through or run the risk of compulsory quotas . . . A not too pleasant prospect . . . .

This last forecast is not an idle guess . . . . This deal must be widely subscribed . . . . The non-banking holders of cash must put up millions and satisfy the Treasury's hopes for non-inflationary borrowing . . . . Bank buying of Governments may be an easy way to finance a war but in the long run it will be the most expensive method . . . . Casual attention to a war loan drive may be a simple way to handle financial affairs now but in the long run it will lead to greater and greater Government control and restriction of freedom . . . . These are obvious points which you know as well as the Treasury knows them . . . . And the distribution of the April basket—as well as the total of dollars raised—is, therefore, a vital factor in the determination of the financing's success . . . .

QUIET MARKETS?

Another point worth attention well may be the exact market pattern shown during these weeks of money-raising . . . . With each deal, the Federal Reserve and Treasury become more astute in the managing of open market operations and in refined control methods . . . . This time, as far as observers can judge, not a single step was ignored, not a single move was omitted . . . . So we may anticipate that the market's action during this drive will be as "ordered" and as "preferred" . . . . And we may guess that it will be a pattern for markets in drives to come . . . .

What type of market is best during a huge war loan? . . . . It seems fairly probable that the best market at a time like this is a quiet, stable one . . . . Little doing on either side . . . . Few buyers in the open market because of concentration on the new offerings . . . . Few sellers in the usual sense of the word because of the likelihood that most already have realigned their position and were entirely ready for this period two to three weeks ago . . . . And the Federal Reserve on hand at all times to take offerings or to supply the market with issues called for . . . . With the object of stabilization rather than of advancing prices . . . .

That, at any rate, seems the logical course . . . . And if the market follows this pattern you may accept this as a guide to future movements (in August and late this year, when the next deals are due) . . . .

DISCOUNT BILLS

A few weeks ago the rumor was around the financial district that the Federal Reserve had refused to take down bills offered by dealers at the established ⅜ of 1% rate . . . . The story was that the Reserve figured the dealers would find plenty of other buyers in a few days and that there was no reason for pampering them with "always ready" markets . . . . From that rumor grew the belief that the Reserve was letting down on what had been considered a rigid policy of buying bills back at ⅜ . . . .

That rumor now has been entirely killed . . . . The facts of the matter, as explained by a Reserve spokesman, are that the Reserve simply had hesitated to take down bills from offering dealers at ABOVE the set rate of ⅜ of 1% and that its transactions were limited to one or two dealers who had indicated they had supplies of bills at a "premium" . . . . The dealers have reported they are 100% satisfied with the Reserve's program and have absolutely no complaints to make . . . The Reserve has said it is making and will make no change in its discount bill buying policy . . . .

The rate of ⅜ of 1% stands as ever, then . . . . The story is over and done with . . . . And we may go along on the basis that the bottom of the market has been established and will remain where it is . . . .

Translating these recent reports into another story, the general feeling that interest rates are safe where they are for the duration and for as long thereafter as is necessary may be considered to have been strengthened by this tempest in a teapot . . . . It's nice to know at this particular moment . . . .

WAR LOAN ACCOUNTS

Important suggestion going the rounds now is that banks should invest all their excess reserves and a good portion of the funds they can raise through War Loan Deposit Account in the new Governments . . . . Story seems to have "official" backing, is coming out of some significant sources . . . . And it makes sense . . . .

Angle is that the market is safe for the duration and that any bank which refuses to take down bonds and hesitates to get the maximum earnings from its Government holdings now is being (1) uncooperative and (2) unwise . . . . Banks certainly can buy Governments to the limit of their excess funds now . . . . With the Federal Reserve openly committed to a policy of constant market support, the need for excess reserves is less today than it has been in years . . . . And, as a matter of fact, the Reserve probably would prefer banks to cut their excess funds to a minimum so that whenever the market happens to need support (or to put it bluntly, a "shot in the arm") the Reserve can tender it by increasing excess reserves and giving the entire market a stronger appearance . . . .

A 100% invested position surely is indicated at this point . . . . It will do away with the suggestion that compulsory quotas are necessary . . . . It is the patriotic thing to do . . . . It is sensible investment policy in that the earnings are there and there's no reason for ignoring them . . . . If you're afraid of the longs—because of the post-war possibilities—then confine your extra purchases to the shorts . . . .

But investigate now the advantages in using the War Loan Deposit Account method . . . . And by all means, invest your excess reserves . . . . Keeping them idle today is foolhardy conservatism . . . .

Coming from a casual observer of market trends, this advice might seem too extravagant . . . . But coming from sources so close to official quarters that they might be termed "official quarters," it takes on added meaning . . . .

INSIDE THE MARKET

"Everything in market" in line these days, according to one observer . . . . Bonds and notes seem to have been pushed into proper position in recent weeks, indicating market is set to remain in this range for time of loan . . . .

Issues believed "cheap" for institutions afraid of longs or preferring short-term bonds because of individual policy considerations are those between the 4s of 1954/44 and the 2s of 12/15/47 . . . . Bonds have been in supply lately, apparently because of sales by insurance companies and others not needing tax-exemption feature . . . . Have risen as much as 12 basis points in last fortnight . . . .

They're not cheap unless you want short-term tax-exempts, but if you do, look at this range—especially, it is said, the 3s of 1948/46, the 3⅛s of 1949/46, the 4¼s of 1952/47 and the 2s of December, 1947 . . .

Discount Railroad Bonds

Implications Of I. C. C. Freight Rate Ruling More Bullish Than Bearish

Despite the initial reaction of the market, our interpretation of the action of the Interstate Commerce Commission in rescinding, from May 15, 1943, until Jan. 1, 1944, the freight rate increases granted last year, is that it is more bullish than bearish. For it carries with it the strong implication that railroad wage rates will not be substantially increased—and the threat of increased wages, in our opinion, has done more to restrain railroad bond prices than any other single factor.

The Government itself shares substantially in the reduction because taxes must absorb an important part of any resulting decline in gross revenues. The net effect, after taxes, on Class I railroads will probably be in the range of $60,000,000 to a maximum of $100,000,000. This is so small in relation to total annual operating income as to be within the margin of error in any estimates that are made for 1943. In fact, it is probable that earnings from Jan. 1 through May 15, 1943, will exceed the results for the same period in 1942 to such an extent that the subsequent loss resulting from the rescision may be about offset for the year as a whole.

We feel strongly that any recession in market prices of railroad discount bonds will offer opportunities for investment that are not likely to be duplicated.—*Distributors Group, Inc.*

Interesting Situations

American Business Credit "A" and Quaker City Cold Storage Co. 5s of 1953, offer interesting possibilities at the present time, according to memoranda just issued by Hill, Thompson & Co., 120 Broadway, New York City. Copies of these memoranda may be had upon request from Hill, Thompson & Co.

Bank Stock Anaylsis

An interesting comparative analysis of bank stocks has been prepared by Laird, Bissell & Meeds, 120 Broadway, New York City, members of the New York Stock Exchange. Copies of this analysis are available from the firm upon request.

The Business Man's Bookshelf

General Fund Surplus Problem in California, The—Dorothy C. Tompkins—Bureau of Public Administration—University of California, Berkeley, Calif.—paper.

Gold and Its Functions—Victor H. Rossetti, President, The Farmers & Merchants National Bank of Los Angeles—paper.

Minimum Retainment Periods for Bank Records—Chicago Bank Auditors Conference—Copies may be obtained from R. Ostengaard, Comptroller—Auditor of The Live Stock National Bank of Chicago and President of the Conference—fifty cents.

Price - Level Stabizilation Through Monetary Control—Frederic Albert Jackson—New York University, Washington Square, New York—paper.

World Minerals and World Peace—C. K. Leith, J. W. Furness and Cleona Lewis—The Brookings Institution, Washington, D. C.

Nine New Members Are Elected By IBA Groups

The Investment Bankers Association of America announced on April 9 the election of nine new members, as follows:

California Group: Shuman, Agnew & Co., San Francisco; Wilson, Johnson & Higgins, San Francisco.

Central States Group: Mason, Moran & Co., Chicago; John J. O'Brien & Co., Chicago.

Minnesota Group: Park-Shaughnessy & Co., St. Paul.

New England Group: Schirmer, Atherton & Co., Boston.

New York Group: Ira Haupt & Co., New York; Huff, Geyer & Hecht, Inc., New York.

Northern Ohio Group: Society for Savings in the City of Cleveland.

Associated Electric Bonds Situation of Interest

The Bonds of the Associated Electric Co. offer interesting possibilities according to a study just issued by Peltason, Tenenbaum, Inc., Landreth Building, St. Louis, Mo., which brings the information on this situation up to date. Copies of the study may be had by dealers from Peltason, Tenenbaum upon request.

Gruntal Co. To Admit Two

Harry F. Kattenhorn and Louis Kohl will become partners in Gruntal & Co., 30 Broad Street, New York City, members of the New York Stock and Curb Exchanges as of May 1. Mr. Kohl has been associated with the firm for many years.

J. F. Reilly Moves

J. F. Reilly & Co., members New York Security Dealers Association, announce the removal of their offices to 111 Broadway, New York City.

Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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THE FINANCIAL SITUATION

On Oct. 2, 1942, the so-called cost-of-living stabilization bill became law. On the following day the President promulgated an executive order to give practical effect to its provisions. On Oct. 8 the "Chronicle" commented as follows:

"Congress has enacted a so-called anti-inflation law which the President has been willing to accept with good grace. Its meaning will be, in actual practice, very largely what the President determines. Sweeping regulations under the new law have been promulgated, and machinery devised to administer them. Their specific intent in many situations must await future developments for clarification. But Washington has proclaimed, and perhaps large sections of the public believe, that 'strong action' has now been taken which will be able adequately to cope with the danger of what is termed 'inflation.' It would be heartening indeed to us all if it were possible to accept this official (and possibly popular) view of the matter and regard the situation well in hand. The fact is, however, that no such acceptance is possible to him who must 'think things through' as the New Deal managers are so fond of saying."

Much Water Through the Dam

Much water has flowed over (and through) the dam since last October. Conditions had reached a stage by April 8, 1943, which evoked from the President another executive order on the same subject, which in some quarters is, like that of last October, being dubbed "strong action." What does the President order this time? As to prices, he directs:

"In the case of agricultural commodities the Price Administrator and the Administrator of Food Production and Distribution (hereinafter referred to as the Food Administrator) are directed, and in the case of other commodities the Price Administrator is directed, to take immediate steps to place ceiling prices on all commodities affecting the cost of living.

"Each of them is directed to authorize no further increases in ceiling prices except to the minimum extent required by law. Each of them is further directed immediately to use all discretionary powers vested in them by law to prevent further price increases, direct or indirect, to pre-

(Continued on page 1391)

Fighting Fire With Fire

"The act of Oct. 2, 1942, set up a stabilization program covering wages, salaries and prices. It could, of course, be revised or repealed by the Congress but subject, under the Constitution, to the approval or veto by the President.

"The Congress, however, did not adopt this constitutional method.

President Roosevelt

"It chose to take away the authority of the President to adjust salaries which were grossly inequitable, not by a separate law, but by attaching a rider to a bill increasing the debt limit. . . .

"If I veto this bill, with its rider, the Treasury's war financing plans may be seriously retarded. I have no means of assuring prompt action by the Congress prior to a great bond issue, the sale of which is about to start. I have no means of preventing indefinite delay if either branch of the National Legislature should decide to recommit the measure to a committee for further study.

"If I sign the bill I would be accused of giving my approval to salaries which most persons regard as excessive in the midst of a war for the survival of this nation.

"Thus the Congress has successfully and effectively circumvented my power to veto."—*President Franklin D. Roosevelt.*

We should ordinarily not be disposed to defend the "rider" technique, but at times it is necessary to fight fire with fire.

Especially when there is much to save!

President Roosevelt Bars Further Increases In Prices And Wages To Prevent Inflation

President Roosevelt on April 8 issued what he termed a "hold-the-line order" with a view to preserving "our stabilization program." In a statement issued at the same time the President said that "to hold-the-line we cannot tolerate further increases in prices affecting the cost of living or further increases in general wage or salary rates except where clearly necessary to correct sub-standard living conditions. The only way to hold-the-line is to stop trying to find justifications for not holding it here or not holding it there."

Besides directing that all items affecting the cost of living be brought under control, the President acted to bar increases in wages and salaries beyond the "Little Steel" formula, except where necessary to correct sub-standards of living.

The President's executive order called upon Price Administrator Prentiss M. Brown and Food Administrator Chester C. Davis to place ceiling prices on all commodities affecting the cost of living and to authorize no further increases in ceiling prices "except to the minimum extent required by law."

The order also authorizes Paul V. McNutt, Chairman of the War Manpower Commission, to issue regulations which would prevent employers from hiring new employees at a higher wage than their previous employment unless the change "would aid in the effective prosecution of the war."

The order further called on Government agencies and State and municipal authorities concerned with the rates of common carriers and public utilities to forbid increases and, where possible, to effect rate reductions, consistent with the stabilization program.

In his statement accompanying the order, the President said that these actions alone cannot stop inflation but that "to complete the job, Congress must act to reduce and hold in check the excess purchasing powers. We must be prepared to tax ourselves more, to spend less and save more." He appealed to Congress to cooperate in preserving the economic stabilization program.

James M. Byrnes, Economic Stabilization Director, is authorized to exercise the powers conferred on the President by the Stabilization Act of Oct. 2, 1942, and to take such action necessary "to stabilize the national economy, to maintain and increase production and to aid in the effective prosecution of the war."

The text of President Roosevelt's statement follows:

"The Executive Order I have signed today is a hold-the-line order.

"To hold the line we cannot tolerate further increases in prices affecting the cost of living or further increases in general wage or salary rates except where clearly necessary to correct substandard living conditions. The only way to hold the line is to stop trying to find justifications for not holding it here or not holding it there.

"No one straw may break a camel's back, but there is always a last straw. We cannot afford to take further chances in relaxing the line. We already have taken too many.

"On the price front the directions in the order are clear and specific.

"All items affecting the cost of living are to be brought under control. No further price increases are to be sanctioned unless imperatively required by law. Adjustments in the price relationships between different commodities will be permitted if such adjustments can be made without increasing the general cost of living.

"But any further inducements to maintain or increase production must not be allowed to disturb the present price levels; such further inducements, whether they take the form of support prices or subsidies, must not be allowed to increase prices to consumers. Of course, the extent to which subsidies and other payments may be used to help keep down the cost of living will depend on Congressional authorization.

"Some prices affecting the cost of living are already above the levels of Sept. 15, 1942. All of these cannot be rolled back. But some of these can and should be rolled back. The order directs the reduction of all prices which are excessively high, inequitable or unfair. The Stabilization Act was not intended to be used as a shield to protect prices which

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GENERAL CONTENTS

(Continued on page 1408)

From Washington Ahead Of The News

By CARLISLE BARGERON

The real lowdown on the furore created by the Administration's trying to keep newspapermen away from the forthcoming international food conference is that it was sponsored by two Washington editors. Elmer Davis and Steve Early approached the editors, said the President was disturbed lest the newspapers mess the conference up and asked these editors if they wouldn't suggest to their fellow editors that the OWI should be permitted to cover it. The Washington editors fell in completely with the idea, and in writing their fellow editors left the impression they were acting strictly on their own initiative. The fact is that the letter they sent out was first approved by both Davis and Early.

The result of the fiasco has been to work up an interest in the conference which it would not otherwise have had. Ordinarily, it would have been a pretty dull meeting. This meeting is not to deal with the allocation of food in the post-war period, but is to be more or less confined to preparing the agenda for a future meeting. Nothing could be duller than a bunch of statesmen preparing an agenda.

Very probably the British and American Treasury plans for post-war currency stabilization are of considerable importance in the affairs of men, but my main interest in them is for the additional light they throw on the question of what manner of man is Sir John Maynard Keynes. Both plans are largely his, but to disguise this fact to the naked eye, "unitas" are provided for in

(Continued on page 1392)

Editorial—

Pass The Hobbs Bill

Congress should not allow the excitement over the President's wage and price freeze and the resulting controversy with John L. Lewis to swerve it from a task the accomplishment of which is important not only now, but also to post-war affairs. This is the enactment of the Hobbs bill, which passed the House of Representatives by a sizable majority and is now up for consideration in the Senate.

The Senate has a reputation for squelching badly-needed labor reforms. Once before the House courageously enacted a labor reform when it in 1941 passed the Smith amendments to the Wagner Act over the protest of the Administration and the leaders of organized labor. However, the Senate never permitted the measure to come to a vote.

There is grave danger that this performance will be repeated in connection with the Hobbs bill. Again we hear the complaint that the Hobbs bill is anti-labor. We hear that it is a "dangerous" measure that would give too much power to the Federal prosecutors. These signs clearly bode rough sailing if not a defeat for the Hobbs bill unless the public raises its voice and demands that the Senate bring the measure out of committee and pass it promptly.

The chief arguments against the Hobbs bill can be disposed of easily. First let us scrutinize the charge that the Hobbs bill is anti-labor. Does it take away any fundamental rights of the unions? Of course not; the bill merely stipulates that the Federal anti-racketeering statute shall apply to the unions just as it applies to individuals. Is there any reason why union racketeers should not be punished? Is it taking away the rights of organized labor for Congress to provide that the Federal Government can punish thugs and bruisers who hide behind a union to perpetrate their extortions and beatings?

Actually, there would not be any need for enacting the Hobbs bill had not the Supreme Court handed down its rather absurd ruling in the Teamsters' Union case, a ruling which stated that Congress had never intended the unions to be subject to the racketeering statute. Thus, all the Hobbs bill does in net effect is to make clear to the courts, the unions, and the public that the Federal racketeering statutes do apply to ALL, uniformly and fairly. In a word, the measure simply cancels a most unfortunate interpretation by the Supreme Court, and that is all it does.

How can such a measure be called anti-labor?

Another complaint already raised in the Senate against the Hobbs bill seems even more far-fetched than the charge that it is anti-labor. Senator Truman, noted for his fairness and the excellence of the work of his investigating committee, has just expressed the fear that it would disturb labor relations at war plants.

How could it?

No one has anything to fear under the Hobbs bill unless he has been guilty of racketeering. Does the Senator mean to imply that the union leaders in our war plants are guilty of racketeering, and that their prosecution would leave the unions in the war plants without leaders? In no other way could the Hobbs bill interfere with labor relations in war or any other plants, for it does not interfere with or affect union contracts, or any of the collective bargaining rights guaranteed by the Wagner Act, the wage and hour law, and any of the wartime wage control measures.

Senator McCarran, usually a spokesman for organized labor, has said that he fears the law might prove "dangerous" if administered by the wrong hands. Now let us look at that one for a minute. Just suppose that the Federal prosecutors, and all of the Federal judiciary are anti-union. Just how is the enforcement of the Federal anti-racketeering act going to break up the unions or lead to other mysteriously disastrous results? The Wagner Act will still protect labor's right to organize and bargain. The unions will still hold most of the railroad, auto, steel, mining, rubber, electrical, and other industries under closed shop or maintenance of membership. The worst that could happen under an admittedly hostile judiciary and prosecutor would be for some borderline case of picketing to be held racketeering and thus punishable under the racketeering statute. It is difficult to see how any form of picketing or other union activity not actually involved in racketeering could be interpreted as being racketeering. The borderline cases usually involve a type of brutal or mass picketing that should be called racketeering, that has always tended to alienate public and employee sympathy for the unions. It's just inconceivable that the elimination of any practice that could possibly be interpreted as racketeering by even a hostile judiciary would in any way damage the unions.

But this is all just day-dreaming, for it is obvious that instead of a hostile prosecutor the unions are favored by a friendly Federal prosecutor, and the Teamsters' case shows all too well that the unions enjoy a friendly judiciary. Can anyone seriously argue that the Supreme Court which handed down the Teamsters' ruling would permit the Federal racketeering laws to be applied unfairly against the unions?

Either there are no racketeers in unions and the Hobbs measure is pointless, or there are racketeers in unions who should be eliminated. And in answer to both Senator Truman and Senator McCarran it is well to note that the purging of racketeers from the unions has **never** in any way interfered with their bargaining activities or jeopardized their economic strength. Quite the contrary. The unions purged of racketeers usually come back far stronger than ever before. We need only look to the record of the various unions purged of their racketeering leadership by Thomas E. Dewey. Each of those unions today is more powerful than ever before, with more members, with larger union treasuries, and with more and better contracts protecting the rights of their employees.

Thus, the chief arguments raised against the Hobbs bill scarcely hold water. Just as clearly the public has every right to expect the Senate to pass this measure for the protection of the public and employees from the rascals who use the unions for nefarious purposes.

The observing Senator will note that the public already is making itself heard from on the general question: Should the labor bloc be permitted to continue blocking constructive legislation? Already five or six of the State legislatures have enacted measures that truly restrict the activities of the unions far more rigidly than will the Hobbs bill. Texas, Colorado and Kansas in particular have passed measures that regulate union finances, provide for registration of union organizers, and in the case of Colorado, make the members of unions responsible for the illegal acts of their union officials.

Passage of these State laws reflects a growing popular impatience with Congressional activity on union regulatory legislation. The action of these State legislatures should show the Senate that it will certainly "hear from home" if it attempts to stall on the Hobbs bill as it has stalled on other labor legislation in the past.

One more point. There must be no "deals" on the Hobbs bill. It will be said by those who fear the enactment of the Hobbs bill that organized labor should not be "punished" by the enactment of the Hobbs bill since it is going along with the President's latest wage-freezing plan. There can be no connection between the bill and the wage-freezing. Organized labor will accept the latest wage-freezing because it knows that Congress would enact it into law if necessary. And organized labor will NOT be punished if the Hobbs bill is passed. There need never be any connection between the punishment of union racketeers and the future of organized labor.

The Senate should pass the Hobbs bill promptly.

Senate Requiring WLB Report On Wage Raises; Data On Standard Pay, Defining Of Yard Sticks

The Senate approved on April 9 a resolution calling on the National War Labor Board to submit monthly reports of wage increases.

The resolution, sponsored by Senator Byrd (Dem., Va.), directs the WLB to give (1) an analysis of the effect of its decisions and orders since its creation on Jan. 12, 1942, (2) a statement regarding all action taken by the Board increasing substandard wages and correcting inequalities in wages, and (3) a statement concerning wage increases which constitute a departure from the so-called "Little Steel" formula. The first report shall be made to the Senate not later than May 10 and thereafter the War Labor Board is directed to file similar reports by the 10th of each month.

The resolution was passed by the Senate unanimously without debate, said special advices April 9 from Washington to the New York "Times," which also had the following to say, in part:

Mr. Byrd filed the resolution Wednesday as the Senate bypassed a clear-cut vote on the question of sustaining or overriding President Roosevelt's veto on the Bankhead Farm Price Bill on the ground that it would set off "an inflationary tornado." The Senate sent the veto message and the legislation it sought to kill to the Agriculture Committee, there to remain alive but inactive while Congress watched to see what curbs were put on wages.

The President's issuance last night of his "hold-the-line" order affecting both wages and prices appears not to have lessened the Senate's desire for the WLB data and its explanations and continuous reporting.

Through the resolution the agency is directed to analyze the effect of its decisions and orders not only in instances of wage increase authorizations but in reclassifications of employees.

Where the Board has acted to increase substandard wages and correct inequalities it is directed by the Senate measure to present "illustrative examples" of situations in which in the Board's opinion the substandard wages and inequalities existed and define its yardsticks.

A special statement is called for with respect to all cases in which wage increases authorized or approved by the Board constitute a departure from the "Little Steel" formula, which permits rises of not more than 15% to cover living-cost increases between January, 1941, and May, 1942.

As drafted originally, the measure called for the first report not later than May 1. In advance of the adoption today, however, William H. Davis, Chairman of the Board, advised Senator Barkley, the majority leader, that in view of the volume of detailed information to be supplied it would be impossible to meet that deadline. With the issuance of the President's "hold-the-line" executive order it developed the Board might have to request an extension of the May 10 concession.

After the Senate had acted Mr. Davis said:

"The Board has issued a public release on every decision made since it was established by the President 15 months ago. It welcomes, however, this opportunity to disclose the effect of its policies in more condensed form to the Senate.

"I am glad to note that the Senate has changed its original deadline for the first report from May 1 to May 10. The Board's staff, which has been working long hours to cope with the difficult problems of wage stabilization, would have found it difficult, if not impossible, to compile the requested information by May 1."

Soviet Foreign Policy Is Misunderstood Says Corliss Lamont

The Soviet Union, instead of seeking to spread Communism to other countries after the war, is prepared to cooperate with the United Nations in a collective security system to prevent the outbreak of a third world war, Corliss Lamont, President of the American Council on Soviet-American Relations, said on April 11 in a vesper-service speech at Christ Church Methodist, New York City.

In reporting his remarks, the New York "Herald Tribune" of April 12 quoted Mr. Lamont as follows:

"The American public and military experts misunderstood the strength of the Soviet Union when the Nazis first invaded that country, and at present they misunderstand Soviet foreign policy," Mr. Lamont said.

"The Soviet, first and foremost of all, wants peace," he added, "and its foreign policy, just as before the outbreak of the war, will continue to be directed to the preservation of peace." He recalled that Russia, through its representative at the League of Nations, repeatedly demanded collective sanctions when China and the small countries of Europe were invaded.

Mr. Lamont then expressed his conviction that the Soviet again will be prepared to join the United States, Great Britain and other countries in a collective security system. If there again is a split between Russia and the democracies, which Mr. Lamont said occurred when the democracies refused to accept Soviet proposals for collective security, the Soviet sympathizer warned there will be a third world war.

He said Russia also will follow the principle of self-determination of nations, as advocated by the democracies. "This principle," he added, "should apply to the main colonial areas of the world as well as to Europe. In Europe," he said, "minorities in Eastern Poland and the peoples of Estonia, Latvia and Lithuania already have announced their desire to join the Soviet," and Mr. Lamont indicated that these areas therefore should be incorporated in the Soviet.

Mr. Lamont thought Russia also would be interested in widespread international trade after the war to help reconstruction of its devastated cities and also would cooperate with other nations on international disarmament.

What Is An "International Police Force"?

By PAUL MALLON

Everyone is talking about an international police force as the basis for the post-war world, but none of the arguers has ever described one.

Mr. Welles, the Under Secretary of State, has been continuously plugging for "an international police force" in just those four words, but he has never gone on to describe what kind of a force he wants.

Just once in all past history has such a proposition been seriously considered—and then only for 15 minutes. During the peace conference the discussions over the Versailles Treaty, after the last war, the French advanced the notion of maintaining a large international land army to keep the peace. The idea was smothered without serious contemplation.

From this history, many have assumed that what Mr. Welles has in mind as an administration proposal is the same thing. All participants in the debate seem to accept the theory that a super-army, to which Russia, Britain, China and the United States would contribute troops, could guarantee peace.

It could not be done. The question of what share each should have in the force and where each particular force should be stationed ought to be enough to break up any diplomatic conference which considered the idea.

Furthermore, international wars are not fought by land armies alone, but largely on the sea and in the air. (This has been almost wholly our participation so far.)

In the future world, the main part of the war will be fought in the air. But, if the international police force idea is turned into the air channel, the question of who shall have how many planes, and where seems almost impossible of negotiation with each nation naturally striving to maintain its own interests and to gain the upper hand if possible.

And such proposal along this line would require all participating nations to sacrifice their own natural self-protecting interests and no other world statesman except Mr. Welles (or possibly Mme. Chiang) has indicated yet a willingness to go that far.

But the word "police," in its true dictionary meaning, would signify something else. The police force of this country does not rule it. It is subject to a greater power. In our case, the Army and the Navy. In any conflict between the two, the Federal authority would be overwhelming, as has been constantly shown in cases of martial law.

I do not profess to be an exceptional authority, but, while listening to all the discussions that are going on, I have come increasingly to the conviction that the way for the world to live is to model its post-war plans upon the methods which each of us, as individuals, adopt to live in peace among our neighbors—not to surrender our integrity, not throwing away all our money, not carrying brotherly love to an extent internationally which we would consider ridiculous individually.

So, also, with the police idea. If we, as a nation, are to maintain our national integrity, our democratic ideals, our treasury, we must also in this policing matter maintain a defensive army and navy sufficient to guarantee our safety, despite any world police force. Each nation would do this also.

We would not think in our neighborhood of letting the Russians or Germans come into our local police force. We would consider that more likely to cause trouble than to maintain peace.

In the "Good Neighbor" policy which Mr. Roosevelt has established in this hemisphere, he has also set a different example for policing this hemisphere than Mr. Welles seems to be advocating for the post-war world.

The President has simply acquired bases, land, air, and sea, in strategic parts of the hemisphere. He has done this by negotiation.

The bases offer mutual service. Brazil allows our Army and Navy to use her facilities on the promise that her forces can use ours.

Thus, the establishment of bases has become in truth a diplomatic form of a police force on a mutually agreeable basis, without actually intermingling the armies and navies or the air forces of the various countries. Nor has there been created any common hemisphere army.

A status quo of existing armies, navies and air forces has merely been accepted by all concerned, on a friendly, working arrangement in which no one sacrificed anything—integrity, ideals or money. Whether this would work internationally, I do not know.

But these reflections will at least lead anyone to the inevitable conclusion that the current officially-inspired debate about "international police forces" has been running off into whirlwinds. Before a basis of sensible argument can be established on the subject, those who talk about such a plan hereafter should define what they mean.

The State Of Trade

Heavy industries in a number of sections reported slight setbacks for the week, but continue to operate at exceedingly high levels in most quarters. This is especially so as concerns the electric and steel industries.

Electrical energy distributed by the electric light and power industry of the United States for the week ended April 3rd, amounted to 3,889,858,000 kilowatt hours, an increase of 16.2% over the total of 3,348,608,000 for the like 1942 week, according to the Edison Electric Institute. The week of March 27th, had a total of 3,928,170,000 hours.

The Pacific Coast area showed the largest improvement over the like 1942 week, with a gain of 24.4%, while the Southern States section was next with 22.5%. The New England section showed the smallest gain of 10.0%.

Consolidated Edison Company of New York announced system output of electricity for the week ended April 4th, was 171,600,000 kilowatt hours, compared with 147,700,000 for the like 1942 week, an increase of 16.1%.

Carloadings of revenue freight for the week ended April 3rd, totaled 772,133 cars, according to the Association of American Railroads. This was a decrease of 15,227 cars from the preceding week this year, 56,905 cars from the corresponding week in 1942 and 88,731 cars above the same period two years ago.

This total was 126.54% of average loadings for the corresponding week of the ten preceding years.

Steel production in the United States is scheduled this week at 98.8% of capacity, compared with last week's rate of 99.6%, according to the American Iron & Steel Institute.

The rate of operations for the current week indicates production of 1,710,900 net tons of ingots and castings, compared with 1,724,700 tons last week. For the like week a year ago, production amounted to 1,651,100 tons.

The nation's steel industry set a new monthly production record in March when it operated at an even 100% of capacity to turn out 7,670,187 net tons of ingots and steel for castings, it was disclosed by the American Iron & Steel Institute.

October 1942, was the best previous month, with an output of 7,579,514 net tons. This, too, was achieved at an even 100% of capacity then in service. The largest output during the first World War was 4,561,598 net tons in October, 1918.

The record March output compares with 6,826,049 tons in February and with 7,424,042 in January of this year. Production of 21,920,278 net tons for the first quarter of 1943, at 98.4% of capacity, was 4.3% above production of 21,016,752 net tons, at 96.2% of capacity, in the first quarter of 1942.

Civil engineering construction volume in continental United States totaled $305,973,000 in March, which, not including the construction of military combat engineers, American contracts outside the country and shipbuilding, was 0.1% below the $306,242,000 reported for February, 1943, and 58% under the $729,485,000 for March, 1942, the "Engineering News-Record" reported.

March private construction was 18% under the preceding month and 55% lower than in the 1942 month. Public work climbed 2% over last month's total but was 58% below last year. State and municipal construction rose 156% over a month ago and was responsible for the public gain, as Federal work was 0.5% under the February value. Comparisons with the 1942 month, however, revealed State and municipal down 73% and Federal work off 57%.

Department store sales on a country-wide basis were down 7% for the week ended April 3rd, compared with the like week a year ago, according to the Federal Reserve Board. Store sales were down 2% for the four weeks ended April 3rd, compared with the same period a year ago.

Department store sales in New York City in the week ended April 3rd, were 10% smaller than in the like 1941 week, and in the four weeks ended April 3rd, sales were down 5% from the corresponding period last year, the New York Federal Reserve Bank reported.

Pre-Easter buying gained momentum this week to feature sales of department stores and specialty shops, but was not sufficient to push retail trade above the spring peak of a year ago, according to Dun & Bradstreet, Inc.'s trade review. The week ended Wednesday in 1942 included the climax of Easter shopping.

Total volume for the whole country was estimated at 1 to 5% below 1942, but with districts like the Pacific Coast, the South and Southwest showing gains up to 14%. Declines up to 13% were reported in the East, New England, Midwest and Northwest, according to Dun & Bradstreet, Inc.

Washington's increased interest in the civilian and his needs already is having good effect. The War Production Board has announced release of 400,000 household refrigerators, of which 148,847 are electric or gas operated and the rest old-fashioned iceboxes. These will be placed on sale this spring.

WPB also has given manufacturers, whose inventories of some 3,000 tons of steel had been frozen, permission to use this material for the production of many civilian goods items, including such articles as hair clamps, beds, awning frames, buckles for clothing and hat frames.

FDR Seeks Subsidy To Control Prices, Wages

It was reported on April 12, that President Roosevelt was planning to seek an appropriation of $500,000,000 for incentive payments and subsidies to aid in "holding the line on prices and wages," said an International News Service dispatch from Washington on April 12, which went on to say:

Despite the fact that his general freeze order was widely applauded in Congress, it was menaced by what appeared to be a determined opposition of important Congressional groups to subsidies.

A series of conferences between Economic Stabilization Director Byrnes, Price Administrator Brown and key members of Congress may decide the fate of the incentive payment program.

Byrnes and Brown, both former Senators, already have discussed phases of the program with some members of Congress, and further conferences are anticipated.

The Administration faced the necessity of convincing the powerful Farm Bloc that incentive payments are sounder than a general increase in farm prices.

FDR Approves Senate Peace Plan Principles

President Roosevelt indicated recently his approval of the broad principles of a proposed Senate resolution to have the United States join with other nations in maintaining future peace.

The President told his press conference that he is not cool toward the proposal but that it was purely a senate matter to express its opinion as to post-war collaboration. Mr. Roosevelt added that he believed it would be helpful to have the world know that the United States is ready and willing to help maintain future peace.

The resolution, sponsored by Senators Hill, Ball, Hatch and Burton, would, among other things, put the Senate on record as favoring effective collaboration with the United Nations to maintain world peace and stability through the use of military peace. Introduction of this proposal was referred to in our issue of March 18, page 1032.

Hatch Urges U. S. Part In A Post-War World Peace Organization

Senator Carl Hatch of New Mexico, addressing, on April 12, the New York Chapter of Hadassah, Women's Zionist Organization, at the Waldorf Astoria said "We police the world in times of war. We can afford a little policing in times of peace to prevent greater policing in time of war," said the New York "Sun" of April 12, which continued as follows:

Without a world organization, he said, he could see no hope for world peace. He declared: "The United States has never shirked its duty in a military sense. We have sent our sons to die on foreign battlefields whenever it is necessary. I'm tired of our only taking our part in times of war. If we are willing to give our sons in wartime, we ought to be willing to make whatever sacrifice is necessary in times of peace."

The Senator argued that Europe, with its ancient hatreds, can not supply leadership in a successful manner. He insisted, "We are going to have to assume our full and entire responsibility in every phase of life of the nations of the world. We can't extend one hand while holding back the other."

Senator Hatch said that the sponsors of the Ball resolution were not set on that resolution alone. He explained, "We are not particular about the words or the language of the resolution or having our names attached to it, but we are deadly in earnest that some reslution with teeth in it come out of the Foreign Relations Committee and be adopted by the Senate."

Dr. Harry D. Gideonse, President of Brooklyn College, told the women that this country could not avoid a part in reshaping the world. If it fails to cooperate it will push the small nations toward Russia, because if this country draws out it will leave Russia the only strong force to guard them against a revival of Nazism.

Keynes, Adviser To British Exchequer, Proposes International Currency Union, Based On 'Bancor'

Following the disclosure last week by Secretary of the Treasury Morgenthau of the tentative proposal of the Treasury for the establishment of a post-war international currency stabilization plan, the British currency plan proposed by Lord Keynes, economist and adviser to the Exchequer, was made known on April 7 in a White Paper issued by the British Government. The United States proposal, attributed to Henry D. White, an Assistant to Secretary Morgenthau, would establish "a United and Associated Nations Stabilization Fund," and proposes that the monetary unit of the fund shall be Unitas, consisting of 137 1/7 grains of fine gold, "equivalent to $10 U. S."; the Keynes proposal calls for the establishment of "a Currency Union, or International Clearing Union, based on international bank money called 'bancor,' fixed but not unalterably in terms of gold and accepted as the equivalent of gold by the British Commonwealth and the United States and all the other members of the Union for the purpose of settling international balances." The Keynes plan further proposes that "the central banks of all member States, and also non-members, would keep accounts with the International Clearing Union through which they would be entitled to settle their exchange balances with one another at their par value as defined in terms of 'bancor.'"

In London Associated Press accounts April 7 it was stated that "the (Keynes) plan subordinates gold, in contrast with the United States Treasury's proposal for a $5,000,000,000 international stabilization fund, and says 'the purpose of the clearing union is to supplant gold as a governing factor, but not dispense with it.'"

In our issue of April 8 the outline of the tentative proposal of the Treasury, as made known on April 5 by Secretary Morgenthau following his presentments to a group of Senators, was given on page 1305, and on page 1300 of the same issue we gave Mr. Morgenthau's further statement (April 6) outlining the preliminary draft of the Treasury plan. With respect to the two plans, Associated Press advices from London on April 7 said:

Going considerably farther in some directions than the United States Treasury's proposal for a currency stabilization program as announced by Secretary Morgenthau yesterday, the British plan nevertheless states similar objectives. Both are advanced as a basis for discussion.

Lord Keynes calls his proposed mechanism an International Clearing Union, from which countries in temporary need of funds to finance international trade would borrow, and in which countries with a favorable balance of payments would accumulate credits.

The plan places responsibilities on both creditor and debtor countries to work toward balancing of the world economy.

Lord Keynes describes his proposal as providing the same facilities between nations that a banking system provides within nations. He writes:

"No depositor in a local bank suffers because the balances, which he leaves idle, are employed to finance the business of some one else.

"Just as the development of national banking systems served to offset a deflationist pressure which would have prevented otherwise the development of modern industry, so by extending the same principle into the international field we may hope to offset the contractionist pressure which might otherwise overwhelm in social disorder and disappointments the good hopes of our modern world."

Lord Keynes's plan makes no fixed proposal for the amount of gold or capital which the union would have, while the United States Treasury proposes $5,000,000,000.

He suggests that each United Nation receive fixed quotas as to the amount of borrowing which they may do, based on their average trade balances over a period of time. Rather flexible quotas would be given as to the amount of credit they may accumulate.

He proposes that transactions between the nations operating in the union be in terms of a new currency to be called bancor, its value fixed, "but not unalterably so" in terms of gold, and accepted as the equivalent of gold. Local currencies would be stabilized as to rates, which may be adjusted through certain procedures, in terms of bancor. The dealings through the union would supplement and balance dealings directly between countries, but not replace them.

The United States proposal, giving apparently considerable more prominence to gold, would make the clearing currency a unit to be called Unitas, equal to ten gold dollars.

The proposals diverge sharply on representation as to the governing board. The United States Treasury suggests a plan under which the United States would have at least 25% of the voting power, and an effective veto on important decisions, because they would require an 80% vote.

Lord Keynes, while proposing representation on the board in proportion to quotas, says:

"Managment of the institution must be genuinely international, without preponderant power of veto or enforcement lying with any country or group. And the rights and privileges of smaller countries must be safeguarded."

* * *

Lord Keynes, in describing the position of gold in his plan, says:

"Gold still possesses great psychological value which is not being diminished by current events; and the desire to possess a gold reserve against unforseen contingencies is likely to remain.

"Moreover, by supplying an automatic means for settling some part of the favorable balances of the creditor countries, the current gold production of the world and the remnant of gold reserves held outside the United States may still have a useful part to play.

"Nor is it reasonable to ask the United States to de-monetize the stock of gold which is the basis of its impregnable liquidity.

"What in the long run the world may decide to do with gold is another matter. The purpose of the clearing union is to supplant gold as a governing factor, but not to dispense with it."

Lord Keynes proposes that central banks of various countries still have power to ship gold to one another, but that they do not have power to bid a higher price for it than the union offers in terms of bancor.

He also says there should be the limitation that no power be permitted to demand gold from the union in terms of bancor, for bancor would be available only for transferring funds between accounts in the union. If the union had too much gold, he said, it might be provided that it could distribute it among credit balances.

The British White Paper parallels the American proposal in limiting the organization primarily to short-term credits, saying it is not "to facilitate long-term or even medium-term credits to be made by debtor countries which cannot afford them, but to allow time and a breathing space for adjustments and for averaging one period with another to all member States alike."

Referring to what has been discussed in the United States as a possible international Reconstruction Finance Corporation, the White Paper says:

"The machinery and organization of international medium-term and long-term lending is another aspect of post-war economic policy not less important than the purposes which the clearing union seeks to serve, but requiring another, complementary institution."

In outling advantages under the plan to creditor countries like the United States, the British economist writes that in the absence of the credit union:

"Certain countries become unable to buy, and, in addition to this, there is an automatic tendency toward a general slump in international trade and, as a result, a reduction in exports of the creditor country.

"Thus, the effect of the clearing union is to give the creditor country a choice between voluntarily curtailing its exports to the same extent that they would have been involuntarily curtailed in the absence of the clearing union or, alternatively, of allowing its exports to continue and accumulating the excess receipts in the form of bancor balances for the time being."

In the event of a country making excessive use of the fund to accumulate debit balances, the proposal outlines measures to induce the country to improve its position, if necessary through devaluation of its currency.

In likening the credit union to a national banking system, Lord Keynes says the principle is the well-known one of equality of credits and debits.

"If no credits can be removed outside the clearing system, but only transferred within it," he says, "the union can never be in any difficulty as regards honoring the checks drawn upon it.

"It can make what advances it wishes to any of its members with the assurance that the proceeds can only be transferred to the clearing account of another member.

"Its sole task is to see to it that its members keep the rules and that advances made to each of them are prudent and advisable for the union as a whole."

An earlier reference to the Keynes and White plans appeared in our issue of April 1, page 1211.

The British Information Services (an agency of the British Government), made public on April 7 the text of the paper containing the proposals of the British experts, from which we quote the following:

I.—The Objects of the Plan

"ABOUT the primary objects of an improved system of International Currency there is, today, a wide measure of agreement:

"(a) We need an instrument of international currency having general acceptability between nations, so that blocked balances and bilateral clearings are unnecessary; that is to say, an instrument of currency used by each nation in its transactions with other nations, operating through whatever national organ, such as a Treasury or a Central Bank, is most appropriate, private individuals, businesses and banks other than Central Banks, each continuing to use their own national currency as heretofore.

"(b) We need an orderly and agreed method of determining the relative exchange values of national currency units, so that unilateral action and competitive exchange depreciations are prevented.

"(c) We need a **quantum** of international currency, which is neither determined in an unpredictable and irrelevant manner as, for example, by the technical progress of the gold industry, nor subject to large variations depending on the gold reserve policies of individual countries; but is governed by the actual current requirements of world commerce, and is also capable of deliberate expansion and contraction to offset deflationary and inflationary tendencies in effective world demand.

"(d) We need a system possessed of an internal stabilizing mechanism, by which pressure is exercised on any country whose balance of payments with the rest of the world is departing from equilibrium in either direction, so as to prevent movements which must create for its neighbors an equal but opposite want of balance.

"(e) We need an agreed plan for starting off every country after the war with a stock of reserves appropriate to its importance in world commerce, so that without due anxiety it can set its house in order during the transitional period to full peace-time conditions.

"(f) We need a central institution, of a purely technical and non-political character, to aid and support other international institutions concerned with the planning and regulation of the world's economic life.

"(g) More generally, we need a means of reassurance to a troubled world, by which any country whose own affairs are conducted with due prudence is relieved of anxiety, for causes which are not of its own making, concerning its ability to meet its international liabilities; and which will, therefore, make unnecessary those methods of restriction and discrimination which countries have adopted hitherto, not on their merits, but as measures of self-protection from disruptive outside forces.

"2. There is also a growing measure of agreement about the general character of any solution of the problem likely to be successful. The particular proposals set forth below lay no claim to originality. They are an attempt to reduce to practical shape certain general ideas belonging to the contemporary climate of economic opinion, which have been given publicity in recent months by writers of several different nationalities. It is difficult to see how any plan can be successful which does not use these general ideas, which are born of the spirit of the age. The actual details put forward below are offered, with no dogmatic intention, as the basis of discussion for criticism and improvement. For we cannot make progress without embodying the general underlying idea in a frame of actual working, which will bring out the practical and political difficulties to be faced and met if the breath of life is to inform it.

"3. In one respect this particular plan will be found to be more ambitious and yet, at the same time, perhaps more workable than some of the variant versions of the same basic idea, in that it is fully international, being based on one general agreement and not on a multiplicity of bilateral arrangements. Doubtless proposals might be made by which bilateral arrangements could be fitted together so as to obtain some of the advantages of a multilateral scheme. But there will be many difficulties attendant on such adjustments. It may be doubted whether a comprehensive scheme will ever in fact be worked out, unless it can come into existence through a single act of creation made possible by the unity of purpose and energy of hope for better things to come, springing from the victory of the United Nations, when they have attained it, over immediate evil. That these proposals are ambitious is claimed, therefore to be not a drawback but an advantage.

"4. The proposal is to establish a Currency Union, here designated an **International Clearing Union,** based on international bank-money, called (let us say) **bancor,** fixed (but not unalterably) in terms of gold and accepted as the equivalent of gold by the British Commonwealth and the United States and all the other members of the Union for the purpose of settling international balances. The Central Banks of all member States (and also of non-members) would keep accounts with the International Clearing Union through which they would be entitled to settle their exchange balances with one another at their par value as defined in terms of bancor. Countries having a favorable balance of payments with the rest of the world as a whole would find themselves in possession of a credit account with the Clearing Union, and those having an unfavorable balance would have a debit account. Measures would be necessary (see below) to prevent the piling up of credit and debit balances without limit, and the system would have failed in the long run if it did not possess sufficient capacity for self-equilibrium to secure this.

"5. The idea underlying such a Union is simple, namely, to generalize the essential principle of banking as it is exhibited within any closed system. This principle is the necessary equality of credits and debits. If no credits can be removed outside the clearing system, but only transferred within it, the Union can never be in any difficulty as regards the honoring of cheques drawn upon it. It can make what advances it wishes to any of its members with the assurance that the proceeds can only be transferred to the clearing account of another member. Its sole task is to see to it that its members keep the rules and that the advances made to each of them are prudent and advisable for the Union as a whole.

II.—The Provisions of the Plan

"6. The provisions proposed (the particular proportions and other details suggested being tentative as a basis of discussion) are the following:

"(1) All the United Nations will be invited to became original members of the International Clearing Union. Other States may be invited to join subsequently. If ex-enemy States are invited to join, special conditions may be applied to them.

"(2) The Governing Board of the Clearing Union shall be appointed by the Governments of the several member States, as provided in (12) below; the daily business with the Union and the technical arrangements being carried out through their Central Banks or other appropriate authorities.

"(3) The member States will agree between themselves the initial values of their own currencies in terms of bancor. A member State may not subsequently alter the value of its currency in terms of bancor without the permission of the Governing Board except under the conditions stated below; but during the first five years after the inception of the system the Governing Board shall give special consideration to appeals for an adjustment in the exchange value of a national currency unit on the ground of unforseen circumstances.

"(4) The value of bancor in terms of gold shall be fixed by the Governing Board. Member States shall not purchase or acquire gold, directly or indirectly, at a price in terms of their national currencies in excess of the parity which corresponds to the value of their currency in terms of bancor and to the value of bancor in terms of gold. Their sales and purchases of gold shall not be otherwise restricted.

"(5) Each member State shall

have assigned to it a **quota**, which shall determine the measure of its responsibility in the management of the Union and of its right to enjoy the credit facilities provided by the Union. The initial quotas might be fixed by reference to the sum of each country's exports and imports on the average of (say) the three pre-war years, and might be (say) 75% of this amount, a special assessment being substituted in cases (of which there might be several) where this formula would be, for any reason, inappropriate. Subsequently, after the elapse of the transitional period, the quotas should be revised annually in accordance with the running average of each country's actual volume of trade in the three preceding years, rising to a five-year average when figures for five post-war years are available. The determination of a country's quota primarily by reference to the value of its foreign trade seems to offer the criterion most relevant to a plan which is chiefly concerned with the regulation of the foreign exchanges and of a country's international trade balance. It is, however, a matter for discussion whether the formula for fixing quotas should also take account of other factors.

"(6) Member States shall agree to accept payment of currency balances, due to them from other members, by a transfer of bancor to their credit in the books of the Clearing Union. They shall be entitled, subject to the conditions set forth below, to make transfers of bancor to other members which have the effect of overdrawing their own accounts with the Union, provided that the maximum debit balances thus created do not exceed their quota. The Clearing Union may, at its discretion, charge a small commission or transfer fee in respect of transactions in its books for the purpose of meeting its current expenses or any other outgoings approved by the Governing Board.

"(7) A member State shall pay to the Reserve Fund of the Clearing Union a charge of 1% per annum on the amount of its average balance in bancor, whether it is a credit or a debit balance, in excess of a quarter of its quota; and a further charge of 1% on its average balance, whether credit or debit, in excess of a half of its quota. Thus, only a country which keeps as nearly as possible in a state of international balance on the average of the year will escape this contribution. These charges are not absolutely essential to the scheme. But if they are found acceptable, they would be valuable and important inducements towards keeping a level balance, and a significant indication that the system looks on excessive credit balances with as critical an eye as on excessive debit balances, each being, indeed, the inevitable concomitant of the other. Any member State in debit may, after consultation with the Governing Board, borrow bancor from the balances of any member State in credit on such terms as may be mutually agreed, by which means each would avoid these contributions. The Governing Board may, at its discretion, remit the charges on credit balances, and increase correspondingly those on debit balances, if in its opinion unduly expansionist conditions are impending in the world economy.

"(8)—(a) A member State may not increase its debit balance by more than a **quarter** of its quota within a year without the permission of the Governing Board. If its debit balance has exceeded a quarter of its quota on the average of at least two years, it shall be entitled to reduce the value of its currency in terms of bancor provided that the reduction shall not exceed 5% without the consent of the Governing Board; but it shall not be entitled to repeat this procedure unless the Board is satisfied that this procedure is appropriate.

"(b) The Governing Board may require from a member State having a debit balance reaching a **half** of its quota the deposit of suitable collateral against its debit balance. Such collateral shall, at the discretion of the Governing Board, take the form of gold, foreign or domestic currency or Government bonds, within the capacity of the member State. As a condition of allownig a member State to increase its debit balance to a figure in excess of a half of its quota, the Governing Board may require all or any of the following measures:

"(i) a stated reduction in the value of the member's currency, if it deems that to be the suitable remedy;

"(ii) the control of outward capital transactions if not already in force; and

"(iii) the outright surrender of a suitable proportion of any separate gold or other liquid reserve in reduction of its debit balance.

"Furthermore, the Governing Board may recommend to the Government of the member State any internal measures affecting its domestic economy which may appear to be appropriate to restore the equilibrium of its international balance.

"(c) If a member State's debit balance has exceeded **three-quarters** of its quota on the average of at least a year and is excessive in the opinion of the Governing Board in relation to the total debit balances outstanding on the books of the Clearing Union, or is increasing at an excessive rate, it may, in addition, be asked by the Governing Board to take measures to improve its position, and, in the event of its failing to reduce its debit balance accordingly within two years, the Governing Board may declare that it is in default and no longer entitled to draw against its account except with the permission of the Governing Board.

"(d) Each member State, on joining the system, shall agree to pay to the Clearing Union any payments due from it to a country in default towards the discharge of the latter's debit balance and to accept this arrangement in the event of falling into default itself. A member State which resigns from the Clearing Union without making approved arrangements for the discharge of any debit balance shall also be treated as in default.

"(9) A member State whose credit balance has exceeded **half** of its quota on the average of at least a year shall discuss with the Governing Board (but shall retain the ultimate decision in its own hands) what measures would be appropriate to restore the equilibrium of its international balances, including—

"(a) Measures for the expansion of domestic credit and domestic demand.

"(b) The appreciation of its local currency in terms of bancor, or, alternatively, the encouragement of an increase in money rates of earnings.

"(c) The reduction of tariffs and other discouragements against imports.

"(d) International development loans.

"(10) A member State shall be entitled to obtain a credit balance in terms of bancor by paying in gold to the Clearing Union for the credit of its clearing account. But no one is entitled to demand gold from the Union against a balance of bancor, since such balance is available only for transfer to another clearing account. The Governing Board of the Union shall, however, have the discretion to distribute any gold in the possession of the Union between the members possessing credit balances in excess of a specified proportion of their quotas, proportionately to such balances, in reduction of their amount in excess of that proportion.

"(11) The monetary reserves of a member State, viz., the Central Bank or other bank or Treasury deposits in excess of a working balance, shall not be held in another country except with the approval of the monetary authorities of that country.

"(12) The Governing Board shall be appointed by the Governments of the member States, those with the larger quotas being entitled to appoint a member individually, and those with smaller quotas appointing in convenient political or geographical groups, so that the members would not exceed (say) 12 or 15 in number. Each representative on the Governing Board shall have a vote in proportion to the quotas of the State (or States) appointing him, except that on a proposal to increase a particular quota, a representative's voting power shall be measured by the quotas of the member States appointing him, increased by their credit balance or decreased by their debit balance, averaged in each case over the past two years. Each member State, which is not individually represented on the Governing Board, shall be entitled to appoint a permanent delegate to the Union to maintain contact with the Board and to act as **liaison** for daily business and for the exchange of information with the Executive of the Union. Such delegate shall be entitled to be present at the Governing Board when any matter is under consideration which specially concerns the State he represents, and to take part in the discussion.

"(13) The Governing Board shall be entitled to reduce the quotas of members, all in the same specified proportion, if it seems necessary to correct in this manner an excess of world purchasing power. In that event, the provisions of 6 (8) shall be held to apply to the quotas as so reduced, provided that no member shall be required to reduce his actual overdraft at the date of the change, or be entitled by reason of this reduction to alter the value of his currency under 6 (8) (a), except after the expiry of two years. If the Governing Board subsequently desires to correct a potential deficiency of world purchasing power, it shall be entitled to restore the general level of quotas towards the original level.

"(14) The Governing Board shall be entitled to ask and receive from each member State any relevant statistical or other information, including a full disclosure of gold, external credit and debit balances and other external assets and liabilities, both public and private. So far as circumstances permit, it will be desirable that the member States shall consult with the Governing Board on important matters of policy likely to affect substantially their bancor balances or their financial relations with other members.

"(15) The executive offices of the Union shall be situated in London and New York, with the Governing Board meeting alternately in London and Washington.

"(16) Members shall be entitled to withdraw from the Union on a year's notice, subject to their making satisfactory arrangements to discharge any debit balance. They would not, of course, be able to employ any credit balance except by making transfers from it, either before or after their withdrawal, to the Clearing Accounts of other Central Banks. Similarly, it should be within the power of the Governing Board to require the withdrawal of a member, subject to the same notice, if the latter is in breach of agreements relating to the Clearing Union.

"(17) The Central Banks of non-member States would be allowed to keep credit clearing accounts with the Union; and, indeed, it would be advisable for them to do so for the conduct of their trade with member States. But they would have no right to overdrafts and no say in the management.

"(18) The Governing Board shall make an annual Report and shall convene an annual Assembly at which every member State shall be entitled to be represented individually and to move proposals. The principles and governing rules of the Union shall be the subject of reconsideration after five years' experience, if a majority of the Assembly desire it."

More Federal Aid For Educational Purposes Urged In Govt. Report

Federal aid to State and local governments for educational purposes should be expanded to provide for maintenance of a national minimum of opportunity for at least elementary education, the Committee on Intergovernmental Fiscal Relations declared on April 5 in its report to Secretary of the Treasury Morgenthau. The Committee suggested that a national minimum of aid to dependent children also could be developed through Federal grants, with the grants embodying differentials which take note of varying abilities of the State and local governments to finance such undertakings.

"Regarding improvements in the aid system, it is observed first that while the scope of Federal aid developed very rapidly under the pressure of the recent depression, it is a mistake to call the existing practices a system," the report stated. The report further said:

"In many States certain Federally-supported functions, such as old-age assistance and vocational education, have tended to get the lion's share of Federal, State and local support at the expense of such locally supported functions as relief and general education. The system should be revised and brought into balance by an extension of its scope to include additional functions in which there is a clear national interest.

"The aid system has developed no concept of a national minimum, that is, of functions of such strong national interest that the Federal Government should underwrite a minimum program and insure that the minimum standard be everywhere provided without undue strain upon local resources. It seems that the strongest claimant for preferred position in this respect is elementary education, followed by aid to dependent children. Although agitation for differential aids for old-age assistance has been persistent, minimum standards here are not so clearly of national interest."

Education is a function which is traditionally and legally a responsibility of State and local government, the Committee said but calls for more general and more generous Federal aid are becoming more and more insistent. The Committee added:

"Much weight needs to be given to the view held by many people that education is a part of their way of life and that national participation means regimentation and the loss of important minority rights and interests," the report set forth. "Concessions can and should be made to this feeling, but in recognition of the overwhelming national interest in the maintenance of minimum standards of educational opportunity, the concessions should not extend to a veto of Federal aid for general education with equalization features. Nor should it block a control program necessary to secure the Federal objectives. It is not an acceptable feature of our way of life to keep a large section of our population in ignorance."

NY State Banking Law Amended On Reserves

Governor Dewey has approved the Williamson Bill as Chapter 169 of the Laws of 1943, amending Section 107 of New York State Banking Law, reducing the amount of reserves against deposits required to be maintained by banks and trust companies. (S. Int. 1073, Printed No. 1234).

In reporting this action, Albany advices of March 26 to the New "Journal of Commerce" said:

"The new law reduces the percentage of reserves against deposits if such bank or trust company has an office in the Borough of Manhattan from 18 to 13% and from 12 to 8% of such deposits to be maintained as reserves on hand.

"The reduction is from 15 to 10% if the principal office of the bank or trust company is located in the Borough of Brooklyn, the Borough of The Bronx or the City of Buffalo, and it has not an office in the Borough of Manhattan and from 10 to 6% of deposits required to be retained as reserves on hand.

"The reduction for banks and trust companies whose principal place of business is located elsewhere in the State is from 12 to 7%, of which at least 3 instead of 4% of such deposits shall be maintained as reserves on hand."

Navy Fund Bill Of $3.8 Billion Signed

President Roosevelt signed on April 1 a bill appropriating an additional $3,836,176,119 for naval expenditures in the present fiscal year.

The supplemental appropriations contained in this bill, plus about $450,000,000 in contract authorizations, cover naval pay, subsistence, education, transportation, shipbuilding and repair, ordnance, maintenance and operation of the fleet and shore establishments, equipment, repairs and alterations and a wider range of other essential naval expenditures.

When the House originally passed this measure on March 5, by the unanimous vote of 346 to 0, the appropriations totaled $3,816,206,583. The Senate, however, in approving the bill on March 17 added $34,969,536, making the total $3,851,176,119. The chief increases by the Senate were for the maintenance of the Bureau of Ships and the Bureau of Docks and Yards. A conference committee worked out the differences in the two bills; the House adopted their report on March 24 and the Senate on March 25.

Asks Fed. Hospital Survey

President Roosevelt has vested in the Federal Board of Hospitalization full control over the acquisition and expansion of Federal hospital and convalescent facilities in the continental United States. A survey of the problem was asked. In reporting this, Washington advices of April 5 to the New York "Times" further said:

"The President cited the rapid wartime expansion of Federal hospitals and expressed concern over the possibility of over-building and failure to accomplish full utilization of existing facilities unless comprehensive plans were developed for wartime needs and post-war use.

"Brig. Gen. Frank T. Hines, Administrator of Veterans' Affairs, heads the Hospitalization Board, which also includes the Surgeons General of the Army, Navy and Public Health Service."

Sees London Money Market Disintegrating As War Curtails Foreign Exchange Business

The British banks, including the Bank of England but excluding the Post Office and Trustee Savings Banks, held at the end of 1942 an estimated amount of £3,900,000,000 of Government obligations, or 23.8% of the gross national debt. On the other hand, the commercial banks, the Federal Reserve banks, and the mutual savings banks in the United States held 46.7% of the total interest-bearing direct and guaranteed Federal debt outstanding on Dec. 31, 1942, according to a bulletin entitled: "Effect of the War on British Banking" issued last month by Dean John T. Madden, Director of the Institute of International Finance of New York University.

The bulletin states: The war has brought great changes to the joint stock banks and the London money market. The assets of the banks today consist to a large extent of Government securities. In fact, at the end of 1942 Government obligations represented 70.2% of total earning assets of the London clearing banks, as compared with 43.2% in August, 1939. Between these two dates the ratio of advances to earning assets decreased from 48.4% to 24.5%. The increase in the holdings of Government securities was accompanied by a sharp rise in the volume of deposits and a decline in the ratio of capital funds to deposits. The ratio of capital and published reserves to deposits at the end of 1942 amounted to 3.9%, as compared with 6.2% in August, 1939. This ratio, however, does not reflect the actual condition, because there are reasons to believe that the undisclosed reserves of the banks are quite substantial. While the ratio of cash to deposits has remained at the traditional level of between 10 and 11%, the secondary liquidity ratio has increased, with the result that the ratio of quick assets to deposits has advanced from 32.7% to 49.9% between August, 1939 and December, 1942.

As is to be expected in wartime, the credit policies are determined by the Treasury, and the Bank of England is merely the instrument through which these policies are carried out. From the outbreak of hostilities to the present day the British Government has adhered to a policy of low money rates which it has been able to maintain without difficulty. Since the British banks do not customarily hold excess reserve balances, any increase in these balances leads immediately to a demand for Government securities. Although the London clearing banks have acquired large amounts of Government obligations, which at the end of 1942 represented 64.9% of total deposits as against 45.6% in August, 1939, they have absorbed only a relatively small proportion of the total increase in the public debt. From the outbreak of the war to the end of December, 1942, the gross national debt of Great Britain increased by £7,848,000,000. Of this amount about £1,700,000,000 or 21.7% were absorbed by the banks. If the increase in Government securities held by the Bank of England is added, the total would represent 31% of the gross debt contracted by the Exchequer between Sept. 2, 1939, and Dec. 31, 1942.

The bulletin continues: Great Britain entered the second World War with a national debt of about £8,500,000,000 as against only £660,000,000 at the beginning of the first World War. In addition, it is obvious that the present war will be much more costly than the 1914-1918 conflict. Loans at interest rates similar to those paid during the first World War would have imposed an unbearable burden on the national economy. Hence it became imperative to finance the war at very low interest rates. The authorities have therefore directed all their efforts toward maintaining the prewar "cheap money" conditions. In this they have been remarkably successful, not only because of the control measures over spending and saving, the rigorous control over the capital market, and the experience with managed currency gained since the abandonment of the gold standard in September, 1931, but also because of the patriotic response of the people. Furthermore, in order to show the determination of the authorities to borrow at low rates, an amendment to the Consolidated Fund Bill passed in February, 1941, reduced the maximum rate to be paid on Government loans from 5 to 3%. The movement of interest rates is shown in the following table:

Average London Money Rates and Yield on 2½% Consols (in %)

	1929	1932	1938	1939	1940	1941	1942
Bank rate	5.498	3.008	2.00	2.24	2.00	2.00	2.00
Deposit rate:							
London banks	3.50	1.258	0.50	0.68	0.50	0.50	0.50
Three-month bank bills	5.26	1.87	0.62	1.18	1.04	1.03	1.03
Day-to-day money	4.47	1.61	0.51	0.96	1.00	1.00	1.00
Treasury bills (3 months)	5.26	1.49	0.61	1.32	1.03	1.01	1.03
Yield on 2½% consols	4.61	3.75	3.38	3.72	3.40	3.13	3.03

In discussing the new technique in open-market operations the bulletin states: The novel procedure constitutes an important departure from the old-established tradition that the clearing banks do not rediscount or sell bills they have discounted, and that they have no direct contact with the Bank of England in discounting or rediscounting. The new method was employed first in April, 1939, following the dismemberment of Czechoslovakia, and to a greater extent in December, 1939, when money-market conditions became tight.

In the past open-market transactions undertaken for the purpose of expanding or contracting the credit base were carried out through the discount market, which by tradition had become the link as well as the buffer between the Bank of England and the commercial banks. Under the new procedure, whenever a shortage of funds develops and the discount houses have difficulty in taking up the Treasury bills for which they have tendered the preceding week, the official agents of the Bank of England in the discount market (Seccombe, Marshall and Campion) will buy for the Bank of England, and probably for the account of Public Departments, shortly-maturing Treasury bills directly from the clearing banks, with the understanding that the latter will use the proceeds to buy from the market eligible bills of the longest maturity. Thus, the clearing banks have become the medium through which the Bank of England aids the discount market. The traditional barrier between the Bank of England and the commercial banks has been removed and is not likely to be reimposed.

When the clearing banks have a surplus of funds which cannot profitably be employed in the discount market by buying bills or making loans, the agent of the Bank of England will sell directly to them Treasury bills held by the Public Departments or the Banking Department. On the other hand, when the clearing banks need cash they can obtain it not only by the traditional practice of calling loans from the market, but also by selling bills to the agent of the Bank of England.

This new procedure in open-market operations is an additional instrument of credit control and not a substitute for the old one. There has occurred, however, a significant change in the open-market operations in the discount market. In prewar days, when a shortage of funds developed in the market the discount houses were forced "in the Bank"—that is, they either had to rediscount eligible bills at the Bank of England, at the punitive Bank rate or obtain seven-day loans at ½% over the Bank rate. Only purchases of bills initiated by the Bank of England could be made at the open-market rates. Since the outbreak of the war, however, when the discount market is pressed for funds it can invariably sell eligible and usually short-term bills to the agents of the Bank of England at the market rate. The discount houses are thus able to obtain assistance from the Bank of England, that is, be "in the Bank," without the penalty of discounting at the Bank rate. Should, however, the credit expansion and low interest rates policy of the war be superseded by a policy of credit contraction, the official discount rate would regain its significance.

Another direct contact, including rediscount facilities between the banks and the Bank of England, was established in July, 1940, when Treasury Deposit Receipts were introduced.

The impact of the war on the London money market is summarized as follows:

The London money market and its institutions, such as the acceptance houses, the merchant bankers, and the discount houses, which constituted a vital element in Great Britain's commercial and financial organization prior to 1931, have suffered a tremendous shrinkage in their business. International business has practically disappeared, while a large volume of imports into Great Britain is financed directly by the Government. Since the banks now deal directly with the Bank of England, the discount market has not benefited materially from the increase in the volume of Treasury bills. In fact, under the advice of the Bank of England and the Treasury, mergers of discount houses have taken place with the object of strengthening their capital and reserves. This was deemed necessary since operations in long-term securities became their main source of income. There has also occurred a shrinkage in the volume of business of the merchant bankers, caused primarily by the sharp decline in the amount of acceptances arising out of international trade. Foreign-exchange restrictions and the appointment of the clearing bank as authorized foreign-exchange dealers have further diminished the already small volume of foreign-exchange business which in prewar years was handled mainly by the merchant banks.

During the war the main function of the British financial machinery will be to aid the Government in financing the war operations. The outlook for the London money market in postwar years is problematical. The institutions laboriously developed over centuries are slowly disintegrating because of lack of business. The personnel skilled in selecting, grading, and handling foreign credits is being dispersed. It is doubtful whether the City of London will regain its dominant position in international trade and finance.

Eden Back In London After Washington Talks

Anthony Eden, British Foreign Secretary, arrived in London by airplane on April 4, following his visit to the United States and Canada. Mr. Eden concluded on March 29 his conferences in Washington on war and post-war questions and went to Ottawa on March 30 for discussions with Canadian officials prior to his return to London.

In a report to the House of Commons on April 8, Mr. Eden disclosed that he had invited Secretary of State Hull to visit Britain this summer to continue the conversations. He reported that there is "a very close similarity of outlook" between the United States and Britain on a wide variety of post-war problems. London Associated Press accounts report Mr. Eden as saying that his discussions in Washington fell mainly under three headings: First, operational matters — immediate questions concerned with the conduct of the war; second, political cooperation between Britain and the United States in connection with actual military operations that have taken place or will take place; and, third, questions arising out of the war.

He had been in Washington since March 12, having come at the invitation of the United States. During his stay he held several talks with President Roosevelt, Secretary of State Hull and Under-Secretary of State Welles and also consulted with Vice-President Wallace, Secretary of War Stimson and Secretary of the Navy Knox. Besides these American authorities the British diplomat conferred in Washington with Russian Ambassador Maxim Litvinoff and Chinese Foreign Minister T. V. Soong. Mr. Eden also held conversations with members of the Senate and House Committees dealing with foreign affairs and paid a visit to New York City to confer with Mayor F. H. LaGuardia.

His visit to Washington came to a formal close on March 29 at a dinner given by Secretary Hull, after he had held a final conference with President Roosevelt earlier in the day.

No statement was given out at the conclusion of the series of talks by either the President or Mr. Eden, but the State Department made public on March 31 farewell notes exchanged by Mr. Eden and Secretary Hull.

Expressing gratitude for the kindness and friendliness shown during his "brief but most fruitful visit," Mr. Eden said that his Washington talks "have shown that we think alike on the problems that face us." His note added:

"I return to London with a new understanding of the policies and ideals of your Government and people, and a deepened conviction that close collaboration between us is an indispensable basis for the development of common action by the United Nations now and after the war."

In reply, Mr. Hull said that the exchanges of views were "a very real contribution to the cause we have in common."

When the British Foreign Secretary arrived in Washington on March 12, the White House said that "the purpose of his visit is to undertake a general exchange of views with the U. S. Government on all aspects of the war situation, and to discuss the most effective method of preparing for meetings between the Governments of all United Nations to consider questions arising out of the war."

Mr Eden, in his only public address in this country, before the Maryland Legislature on March 26, made the following brief reference to his talks:

"Nothing could have exceeded the kindness and hospitality that have been shown to me by every one—by the President, by Mr. Hull, by the members of Congress and by all with whom I have been privileged to work.

"We have done much work together and we are both well pleased at the result. For myself, I can only say this: In my life it has fallen to my lot on many occasions to visit foreign capitals, and I am sure that never in my experience has a journey been more worth while. You will not expect, I trust, sudden and sensational developments, for there will be none. But there has been a meeting of minds between us about the present and the future that will, we are sure, bear fruit."

In this address, Mr. Eden emphasized Britain's solemn promise to fight on with the rest of the United Nations until both ends of the Axis have been utterly smashed.

"Let there be no mistake," he declared. "We shall not rest upon our arms until every one of our enemies has unconditionally surrendered.

"We, no less than you, and our partner, China, have a score to settle with the Japanese; nor shall we cease fighting until that evil growth in the Pacific has been cut back. We shall be with you in this to the end."

The Associated Press further reported with respect to his address as follows:

The Foreign Secretary warned that "we have yet far to travel before the final triumph over our enemies in the west and in the east" and predicted there would be "strains and stresses, setbacks and disappointments" before the final victory.

"Let China not misdoubt us," he said. "We shall not forget how for years she resisted aggression singlehanded. The day will come when the Burma Road once again will be open."

Declaring that "we cannot have prosperity in one country and misery in its neighbors, peace in one hemisphere and war in the other," the Foreign Secretary maintained world security and progress could be found only through the "greatest possible measure of cooperation."

He added that "The United Nations, and in particular the United States, the British Commonwealth, China and the Soviet Union, must act together in war and peace."

Mr. Eden underlined that of all peace aims, the greatest is "to insure that never again shall unscrupulous leaders be able to carry their peoples into war and bring tragedy into the world."

Enforced disarmament of the "gangster nations" is imperative and must be maintained "in full effectiveness" for as long as necessary after the war, Mr. Eden said.

In an address before a joint session of the Canadian Senate and House of Commons on April 1 at Ottawa, Mr. Eden said that total disarmament of Germany, Italy and Japan was essential to an enduring peace after this war was won.

"I have no faith in the promises of their statesmen nor in the smooth assurance of their apologists.

"There is only one security for mankind in respect of all of them: To insure that they are totally disarmed and in no position ever to try their strength again. Then, indeed, peace may have its chance."

Mr. Eden said it was better for the United Nations to build up mutual understandings and means of cooperation as they went along, rather than to devise some elaborate structure all at once.

THE FINANCIAL SITUATION

(Continued from first page)

vent profiteering and to reduce prices which are excessively high, unfair or inequitable.

"Nothing herein, however, shall be construed to prevent the Food Administrator and the Price Administrator, subject to the general policy directives of the Economic Stabilization Director, from making such readjustments in price relationships appropriate for various commodities or classes, qualities or grades thereof, or for seasonal variations or for various marketing areas, or from authorizing such support prices, subsidies or other inducements as may be authorized by law and deemed necessary to maintain or increase production, provided that such action does not increase the cost of living."

Concerning wages, he orders as follows:

"The National War Labor Board, the Commissioner of Internal Revenue and other agencies exercising authority conferred by Executive Order No. 9,250 or Executive Order 9,299 and the regulations issued pursuant thereto over wage or salary increases, are directed to authorize no further increase in wages or salaries except such as clearly necessary to correct substandards of living, provided that nothing herein shall be construed to prevent such agencies from making such wage or salary readjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel formula as heretofore defined by the National War Labor Board, for the rise in the cost of living between Jan. 1, 1941, and May 1, 1942.

"Nor shall anything herein be construed to prevent such agencies, subject to the general policies and directives of the Economic Stabilization Director, from authorizing reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages and the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices."

April vs. October

"Strong action?" Possibly. But last October's order directed that "the director (of stabilization) * * * shall formulate and develop a comprehensive national economic policy relating to the control of civilian purchasing power, prices, rents, wages, salaries, profits, rationing, subsidies, and all related matters—all for the purpose of preventing avoidable increases in the cost of living * * *." It further directed that "no increases in wage rates * * * shall be authorized unless notice of such increases * * * shall have been filed with the National War Labor Board, and unless the National War Labor Board has approved such increases * * *. The National War Labor Board shall not approve any increase in the wage rates prevailing on Sept. 15, 1942, unless such increase is necessary to correct maladjustments or inequalities, to eliminate substandards of living, to correct gross inequities, or to aid in the effective prosecution of the war." And again: "The prices of agricultural commodities and of commodities manufactured or processed in whole or in substantial part from any agricultural commodity (the only prices which have caused serious trouble since the order) shall be stabilized, so far as practicable, on the basis of levels which existed on Sept. 15, 1942 * * *."

Despite extensive regulations and a great deal of activity on the part of those to whom the task of enforcing these general orders was entrusted, the inexorable forces of economic law have proceeded on their way. The course of events both as regards prices and wages since last October is well known. As the President himself intimates, one reason (or excuse) after another has been found for permitting wages to rise, and every housewife knows what has happened to the prices of the things she must buy for the family table. What the President does not mention, even by indirection, but most housewives know well enough, is the fact that, quite aside from "black markets," that insidious form of price increase which takes place when quality is reduced but prices hold, has run riot in recent months.

Further Parallelism

Is there to be a different story this time? In commenting upon these matters last October the "Chronicle" remarked that "it is interesting, it may or may not be deeply significant, that almost simultaneously with the promulgation of the new regulations the War Labor Board approved higher wages in one important case and the Secretary of Agriculture issued doleful estimates of the difficulties alleged to be ahead of the farmer. Experience has already amply demonstrated the already obvious fact that raw materials off the farm and wages of labor are parts of the cost of production." We must now record that on April 10, 1943, just two days after this new executive order, the Food Administrator announced an increase of five cents per bushel for feed corn. This announcement was, however, not necessary to demonstrate to the observant student that there are loopholes in this latest, and possibly in a superficial sense the strongest, proclamation of the President. With this latest order, as with the earlier one, time alone will tell precisely what the President means or intends to have done.

Some Basic Aspects

But there are much more fundamental and far more important aspects of this matter which the public in its anxiety to avoid "inflation" is often disposed to overlook. For one thing, if these arbitrary orders and regulations were actually effective in accomplishing that for which they are intended, the probability is that the war effort would be seriously jeopardized—to say nothing of the welfare of the civilian population both during and after the war. There is no way of avoiding the fact that there is no stimulant to the utmost in production so effective either in war or in peace as prices and the prospect of good profits. But fully as important is the question of the effect of the issuance of numberless orders and regulations which are not and can not be enforced. Space does not permit of any extended discussion of the deep injury certain to flow from such procedure. Let it suffice to say that it does not become leaders who never tire of declaiming about respect for law and order.

U. S. Faces Great Period In Development With Unequalled Nat'l Reconstruction

Speaking in New York at the 20th anniversary dinner of the "New Leader," Social-Democratic labor weekly, at the Hotel Commodore, Adolf A. Berle, Jr., Assistant Secretary of State, asserted that the United States is facing "one of the greatest periods of its development" in which it will achieve freedom from want through the processes of "kindly revolution" that have marked the progress of this nation from its beginning.

According to the New York "Times" from which we quote the foregoing, the tradition that the American people propose to follow, Mr. Berle said, is that of Jefferson, "who could offer every sympathy and encouragement to the ideals of the French Revolution, and could still tell the intriguers of the Directoire that they had no place in American life." The "Times" went on to say:

Paying tribute to "The New Leader" as an exponent of American tradition in its most liberal sense, Mr. Berle declared that the task confronting the American people today is merely a phase of the struggle for human betterment in which they have been engaged from the beginning of their national career.

That struggle, he said, has found expression in the enhancement of the people's welfare through the generations, the building of the trade union movement, the elimination of municipal corruption, the eradication of all sorts of other abuses, the economic and social achievements of the New Deal and the promotion of international peace and security, in which the vital interests of the United States are closely involved.

Praising those assembled at the dinner for their contributions to the struggle, Mr. Berle said:

"No one here was ever compromised by joining in Nazi-pacifist propaganda intended to weaken the United States. No one here had to find overnight a will to resist fascism."

Mr. Berle then declared, speaking of the present as well as of the future, that just as American foreign policy will always find expression in a voice that is "characteristically our own," so will the internal policy of this nation be molded in forms peculiarly and indigenously American.

A warning was contained in the remarks of Mr. Berle that the American people would not tolerate the interference of any foreign elements that seek to infiltrate public opinion with totalitarian ideologies says the "Times" which further reported:

"America has never been interested in the dictatorship of the proletariat," Mr. Berle said. "It wants and proposes to abolish poverty; to foster an American commonwealth composed of people acting according to their abilities, without undue social disparity, and in which every one participates according to the use he is able to make of intellectual, spiritual and economic freedom."

In seeking to attain freedom from want "we wil not barter an atom of the fundamental principle upon which American liberalism is based: reliance on free men with free minds," Mr. Berle said, adding:

"We can be no party to a devil's bargain in which our thinking is pawned to any master, our political liberty to any dictatorship, or our democracy to an irresponsible power."

Other speakers were William Green, President of the American Federation of Labor, and Bertrand Russell, British philosopher and educator. Herbert Morrison, British Minister of Security and member of the War Cabinet, addressed the audience by radio from London.

Greetings from President Roosevelt, Vice President Henry A. Wallace, Secretary of State Cordell Hull, Elmer Davis, Director of the Office of War Information; Thomas Mann, Senators Robert F. Wagner, James M. Mead and Robert La Follette, Pearl Buck, James B. Carey, Secretary-Treasurer of the CIO, and others were read.

The speakers and those who sent greetings stressed the contribution made by "The New Leader," edited by Dr. William H. Bohn, to the progress of American liberal thought and social action, and in the battle against the Axis powers and all forms of totalitarianism.

Both Mr. Morrison and Mr. Russell pleaded for a better understanding between America and England as essential to the establishment of a stable peace and world reconstruction.

While Mr. Berle refrained from mentioning Communism and the activities of the Communist movement directly, Mr. Green denounced the Communist International and its agents in this country as "having set in motion a reactionary trend which carried fascism and nazism to power."

"We are still somewhat dumfounded by the sudden conversion to patriotism of the Communist party in America which took place by a strange coincidence immediately after Hitler invaded Russia," Mr. Green said.

* * *

Declaring that "we shall face in the next few years a task of national reconstruction unequaled in our history," Mr. Berle said "we shall meet it gladly and without fear, for if the responsibility is enormous the opportunity is very great."

With the nation's industrial plant geared to the highest maximum of production and the national income higher than ever before, Mr. Berle stressed the problems of converting American economy to a peace basis after the war, of exchanging goods with foreign nations, and of providing jobs for returning soldiers and the vast masses of workers now engaged in war industries. Regardless of what administration is in power, Mr. Berle declared, it will have to follow a policy of cooperation of private enterprise and government action to cope with the tasks ahead. And, he said, "since liberals know very well the danger of unlimited statism, they are not likely to wish the concentration of all economic power in the government any more than they could accept the concentration of all economic power in the hands of a few industrialists and financiers."

Mr. Berle warned against selfish interests who may endeavor "to assure their own position at the expense of the public welfare, whether such interests be commercial elements, political pressure groups, or groups in labor, agriculture and other organized segments of the population."

"Liberals will appraise the claims of all these groups by asking whether what they ask will increase or decrease the measure of economic freedom to individuals everywhere throughout the country," Mr. Berle said.

House Votes FSA Inquiry

The House recently authorized an investigation into the activities of the Farm Security Administration.

Named to head the Investigating Committee was Representative Cooley (Dem., N. C.), who proposed the inquiry. Other members of the group are: Representatives Flannigan (Dem., Va.), Zimmerman (Dem., Mo.), Pace (Dem., Ga.), Hope (Rep., Kan.), Johnson (Rep., Ill.) and Rizley (Rep., Okla.).

Representative Cooley said the Committee's purpose will be to investigate how far afield the FSA has gone and to make some recommendations to the House regarding a future land policy.

C. B. Baldwin, FSA Administrator, said that his organization is agreeable to an investigation of its program, which will lead to a clarification of its field of activity and offered full cooperation to the inquiry.

Naval Construction Bill

A measure authorizing construction of Naval shore facilities costing up to $1,256,607,000 was signed by President Roosevelt on March 26.

The largest item in the bill is for $720,000,000 for advance bases. Final Congressional action on the measure came on March 24 when the House accepted a minor Senate amendment. The Senate passed the bill on March 17 and the House approved it on Feb. 23 (referred to in our issue of March 11, page 929).

Among the facilities provided for by the authorization are the following:

Fleet, $67,900,000; aviation, $223,000,000; storage, $65,000,000; Marine training, $28,632,000; Navy personnel training and housing, $33,120,000; hospitals, $66,005,000; shore radio, $3,500,000; Naval Research Laboratory, $750,000; miscellaneous structures, $33,000,000, and passive defense, $15,000,000.

President Roosevelt Bars Further Increases In Prices And Wages To Prevent Inflation

(Continued from first page)

were excessively high on Sept. 15, 1942.

"On the wage front the directions in the order are equally clear and specific.

"There are to be no further increases in wage rates or salaries' scales beyond the Little Steel formula, except where clearly necessary to correct substandards of living. Reclassifications and promotions must not be permitted to affect the general level of production costs or to justify price increases or to forestall price reductions.

"The order also makes clear the authority of the Chairman of the War Manpower Commision to forbid the employment by an employer of any new employee except in accordance with regulations of the Chairman, the purpose being to prevent such employment at a higher wage or salary than that received by the employee in his last employment unless the change of employment will aid in the prosecution of the war.

"It further calls the attention of all agencies of the Federal Government and of State and municipal authorities concerned with the rates of common carriers and public utilities to the stabilization program in the hope that rate increases will be disapproved and rate reductions ordered so far as may be consistent with Federal and State laws.

"For some time it has been apparent that this action must be taken because of the continued pressure for increased wages and increased prices. I have heretofore refrained from acting because of the contention of the supporters of the Bankhead bill that under the Act of Oct. 2, 1942, I had no authority to place ceiling prices on certain commodities at existing levels. My views on that question were set forth in my message of April 2 vetoing the Bankhead bill.

"The Senate did not vote upon the question of passing the bill over the veto. Its author moved to recommit the bill to the Committee on Agriculture, stating that there were not sufficient votes to override the veto.

"I am advised that weeks or months from this date the bill may be reported for consideration. I am also advised that in the history of Congress no bill vetoed by a President and recommitted to a Committee has ever become law.

"I cannot wait to see whether the committee at some future date will again report the bill to the Senate. I cannot permit a continuance of the upward spiral of prices.

"Some groups have been urging increased prices for farmers on the ground that wage earners have unduly profited. Other groups have been urging increased wages on the ground that farmers have unduly profited. Any continuance of this conflict will not only cause inflation but will breed disunity at a time when unity is essential.

"Under the act of Oct. 2, 1942, Congress directed that so far as is practicable, wages, salaries and prices should be stabilized as of the level of Sept. 15. Under that direction inflation has been slowed up. Now we must stop it.

"We cannot stop inflation solely by wage and price ceilings. We cannot stop it solely by rationing. To complete the job, Congress must act to reduce and hold in check the excess purchasing powers. We must be prepared to tax ourselves more, to spend less and save more. The details of new fiscal legislation must be worked out by the appropriate committees of the House and the Senate. The executive departments stand ready to submit suggestions whenever the committees desire.

"I am exerting every power I possess to preserve our stabilization program.

"I am sure the Congress will cooperate."

Following is the President's Executive order:

"By virtue of the authority vested in me by the Constitution and the statutes, and particularly by the first war powers act, 1941, and the act of Oct. 2, 1942, entitled "An act to amend the emergency price control act of 1942, to aid in preventing inflation, and for other purposes," as President of the United States and commander in chief of the Army and Navy, and in order to safeguard the stabilization of prices, wages and salaries, affecting the cost of living on the basis of levels existing on Sept. 15, 1942, as authorized and directed by said act of Congress of Oct. 2, 1942, and executive order No. 9250 of Oct. 3, 1942, and to prevent increases in wages, salaries, prices and profits, which, however justifiable, if viewed apart from their effect upon the economy, tend to undermine the basis of stabilization, and to provide such regulation with respect to the control of price, wage and salary increases as are necessary to maintain stabilization, it is hereby ordered as follows:

"1. In the case of agricultural commodities the Price Administrator and the Administrator of Food Production and Distribution (thereinafter referred to as the Food Administrator) are directed, and in the case of other commodities the Price Administrator is directed, to take immediate steps to place ceiling prices on all commodities affecting the cost of living. Each of them is directed to authorize no further increases in ceiling prices except to the minimum extent required by law. Each of them is further directed immediately to use all discretionary powers vested in them by law to prevent further price increases, direct or indirect, to prevent profiteering and to reduce prices which are excessively high, unfair or inequitable. Nothing herein, however, shall be construed to prevent the Food Administrator and the Price Administrator, subject to the general policy directives of the economic stabilization director, from making such readjustments in price relationships appropriate for various commodities, or classes, qualities or grades thereof or for seasonal variations or for various marketing areas, or from authorizing such support prices, subsidies or other inducements as may be authorized by law and deemed necessary to maintain or increase production, provided that such action does not increase the cost of living. The power, functions and duties conferred on the Secretary of Agriculture under Section 3 of the emergency price control act of 1942 (Public Law 421, 77th Cong.) and under Section 3 of the act of Oct. 2, 1942 (Public Law 729, 77th Cong.) are hereby transferred to and shall be exercised by the Food Administrator.

"2. The National War Labor Board, the Commissioner of Internal Revenue and other agencies exercising authority conferred by Executive Order No. 9250 or Executive Order 9299 and the regulations issued pursuant thereto over wage or salary increases are directed to authorize no further increase in wages or salaries except such as are clearly necessary to correct substandards of living, provided that nothing herein shall be construed to prevent such agencies from making such wage or salary readjustments as may be deemed appropriate and may not have heretofore been made to compensate, in accordance with the Little Steel formula as heretofore defined by the National War Labor Board, for the rise in the cost of living between Jan. 1, 1941, and May 1, 1942. Nor shall anything herein be construed to prevent such agencies, subject to the general policies and directives of the Economic Stabilization Director, from authorizing reasonable adjustments of wages and salaries in case of promotions, reclassifications, merit increases, incentive wages or the like, provided that such adjustments do not increase the level of production costs appreciably or furnish the basis either to increase prices or to resist otherwise justifiable reductions in prices.

"3. The Chairman of the War Manpower Commission is authorized to forbid the employment by any employer of any new employee or the acceptance of employment by a new employee except as authorized in accordance with regulations which may be issued by the Chairman of the War Manpower Commission, with the approval of the Economic Stabilization Director, for the purpose of preventing such employment at a wage or salary higher than that received by such new employee in his last employment unless the change of employment would aid in the effective prosecution of the war.

"4. The attention of all agencies of the Federal Government, and of all State and municipal authorities, concerned with the rates of common carriers or other public utilities, is directed to the stabilization program of which this order is a part so that rate increases will be disapproved and rate reductions effected, consistently with the act of Oct. 2, 1942, and other applicable Federal, State or municipal law, in order to keep down the cost of living and effectuate the purposes of the stabilization program.

"5. To provide for the consistent administration of this order and Executive Order No. 9250, and other orders and regulations of similar import and for the effectuation of the purposes of the Act of Oct. 2, 1942, the Economic Stabilization Director is authorized to exercise all powers and duties conferred upon the President by that Act, and the Economic Stabilization Director is authorized and directed to take such action and to issue such directives under the authority of that Act as he deems necessary to stabilize the national economy, to maintain and increase production and to aid in the effective prosecution of the war. Except in so far as they are inconsistent with this order or except in so far as the Director shall otherwise direct, powers and duties conferred upon the President by the said Act and heretofore devolved upon agencies or persons other than the Director shall continue to be exercised and performed by such agencies and persons.

"6. Except in so far as they are inconsistent with this order, Executive Order 9250 and the regulations issued pursuant thereto shall remain in full force and effect."

Supreme Court Rules Dividends Paid In Stock Are Not Subject To Federal Income Tax

The United States Supreme Court ruled on April 5 that the owner of a voting common stock of a corporation need not pay a Federal income tax on a stock dividend based on corporate earnings and paid in non-voting common stock of the corporation. Justice Roberts delivered the decision, applying to R. A. Sprouse of Oakland, Calif., from whom the Commissioner of Internal Revenue sought $16,562 for 1936.

In another opinion, according to the Associated Press, the Supreme Court ruled (April 5) that the owner of all the issued voting common stock of a corporation need not pay a Federal income tax upon a stock dividend paid in 7% non-voting cumulative preferred stock, which was declared out of the corporation's earnings and profits.

Justice Roberts also delivered this opinion, applying to Emil H. Strassburger of New York, from whom the Commissioner of Internal Revenue sought $949 for 1936.

In both cases the vote was 5 to 3, with Justices Reed, Frankfurter and Jackson dissenting. Justice Rutledge did not participate.

Similar conclusions were reached by the Supreme Court on March 1 in decisions referred to in our March 18 issue, page 1022. The Associated Press on April 5, in noting the court's decisions at that time, said:

"In a 5-to-3 decision on March 1 the court held that an income tax could not be imposed on common stock dividends received by Mrs. Sylvie R. Griffiths of New York that were identical with the stock on which they were declared, the only stock outstanding at the time.

"In the March 1 opinion, the court denied a Justice Department request for overruling a famous 1920 decision (Eisner v. Macomber), holding that a dividend of voting common stock distributed on voting common stock did not constitute income and was not taxable.

"The 1920 decision could not be reconsidered, the court said, because 'we are unable to find that Congress intended to tax the dividends in question.'"

German Foreign Exchange Laws In Compilation

The Bank for International Settlements, Basle, Switzerland, recently published a compilation (in German) of the "Foreign Exchange Legislation in Germany."

Regarding the compilation the announcement says:

"This work contains, in the first place, the law regarding foreign exchange control, the various decrees for the application of that law, and the foreign exchange regulations, with the principal additions thereto; further, the laws and provisions regarding foreign liabilities, debts in foreign currency and external capital payments, together with the decrees concerning goods transactions, enemy property, and professional advice on foreign exchange questions. Another section reproduces the most important circulars issued by the Reich Minister for Economic Affairs relating to business in goods and services, insurance, capital and security transactions, payments arising out of other types of business as well as foreign exchange matters of a general character. A special section is devoted to the provisions governing goods and payment transactions with various countries.

"This compilation numbers more than 600 pages and may be obtained from the Monetary and Economic Department of the B. I. S. at the price of 20 Swiss francs.

It is also announced that a pamphlet containing the foreign exchange regulations in Belgium and one for Bohemia and Moravia have also been published.

From Washington

(Continued from first page)

one plan "bancors" in another. The fact that this fellow's contribution to civilization the last 10 years has been only to add to the confusion or near chaos in which we are living, hasn't retarded him in the slightest. Instead of being ashamed for the part he has played in the mess, or being the subject of popular indignation, he is apparently as cocksure as ever, and his influence has increased.

One deep underlying complex governs Henry Morgenthau's dealing with world exchange. Ever since he has been in office he has been determined to eliminate fluctuations, dealing in which has given us some of our wealthiest and most influential citizens. Morgenthau sees red every time he thinks of these "international speculators." Along with the President he once took a fling in German marks and got burned. Apparently his experience left a deep impression on him.

There are indications that Henry Wallace, the Good, is in for some of the same treatment meted out to Presidential rivals of Mr. Roosevelt in the past. He has been one of the President's closest friends and his outstanding worshipper. But his Presidential build-up has attained the stage where the President's hatchet boys consider it due for deflation. Thus we are hearing stories that there is considerable difference between his post-war plans and those of the President. The President knows Henry to be a dreamer, they explain; the President has a far more realistic conception of post-war problems.

It would be ironic if Henry after sailing along so blithely and so Christian-like these many years, should meet the same experience which political heathens like Paul McNutt, Jack Garner and Jim Farley have suffered.

It seems to me that it would be just about the ultimate in shock if the poison boys were to pass out stories, as they did about McNutt.. But he had better get out of that high place he occupies in the Gallup poll.

There is another angle to it, though. It's all right for the boys to pass out stories that the President knows him to be a dreamer, but they had better not bank too much on this themselves. Behind Henry's psalm singing there is just about as cunning a mind as ever came to Washington. As Secretary of Agriculture, Henry built up the greatest political bureaucracy we have ever had. He was always moaning about it—and sadly shaking his head, too—about how the people just kept forcing additional power on him. But he got the power. Henry is as deceptive as a body of water at night.

Donald Nelson's announcement sometime ago that the production of civilian supplies was to be increased was largely interpreted as a realization on the part of the Administration that the war in Europe was to last longer than expected. The reverse is true. There are few authorities here who do not expect Germany and Italy to collapse this year. Nobody wants to say so out loud, naturally.

Incidentally, there may be a lot of squawkers in Britain over the upper hand we have in the matter of post-war commercial aviation, but the British have the same upper hand in post-war world communications.

In the realm of domestic politics, the Bricker forces have come to be more active. They've decided they had better not content themselves with a silent pre-convention campaign.

Jones Urges Planning For Post-War Use Of Nation's Expanded Productive Capacity

Secretary of Commerce Jesse Jones said on April 3 that a major post-war problem will be the use of the country's expanded productive capacity and urged that Congress plan now what is to be done with the Government-owned manufacturing facilities built up for the war.

In an address in New York City, before the Army Day dinner of the Military Order of the World War, Secretary Jones said that much of the country's increased manufacturing capacity must be fitted into the post-war program "in such a way as to continue in a substantial measure the increased employment that has been brought about by the war effort."

He added:

"We will need to maintain a high level of employment to prevent idleness, suffering and want. But this does not mean that the Government must retain the ownership or the operation of the facilities it has built nor does it mean that they should be sacrificed. It means that Government and private business must work together to utilize in peace much of the machinery we have created for war.

"There may be insistence for keeping Government in business. There may be extreme pressure to sell to private industry at bargain prices. Congress must decide, and with great deliberation."

The Associated Press further indicated Secretary Jones as saying:

"The Reconstruction Finance Corporation and other agencies under his direction have authorized the expenditure of more than $20,000,000,000 in the war effort, Mr. Jones said, much of it invested in the expansion of plant facilities and production capacity.

"Post-war questions could not be answered on a narrow, selfish or sectional basis, the Secretary said, but must be faced as 'national and international problems.' He cited international aviation, the immediate commercial problems of peace and the utilization or liquidation of goods and foods needing a market when armies are demobilized as questions needing answers.

"These all too few instances of what peace will mean have brought me to the conviction that if we are not to dodge responsibility, every segment of our economy—Government, capital, business, labor and agriculture—must be ready with blueprints for the future, Mr. Jones said.

"A subsidiary of the RFC, Defense Plant Corporation, has built and equipped 1,479 plants and other facilities costing approximately $7,000,000,000, Mr. Jones said. He estimated that at the end of the war the Government would have an annual productive capacity of aluminum of 2,150,000,000 pounds—enough to build more than 238,000 transport planes—against 327,000,000 pounds privately owned in 1939.

"We will have a capacity for manufacturing more rubber than we have ever used, Mr. Jones said, and that fact alone will need to be considered in readjusting world trade and world economy after the war.

"He said the Government would have $2,640,000,000 invested in the manufacture of airplanes; more than $100,000,000 in alcohol and chemicals; $125,000,000 in aviation gasoline; $440,000,000 in guns and armor; $150,000,000 in shipbuilding and $710,000,000 in steel and iron."

ABA Issues Home Mortgage Loan Manual

A Home Mortgage Loan Manual designed especially for use by banks and other institutional investors in real estate mortgages has been developed by the Department of Research in Mortgage and Real Estate Finance of the American Bankers Association, of which Dr. Ernest M. Fisher is director, in collaboration with the Committee on Real Estate Mortgages of the Association's Savings Division.

The manual, it is stated, is the product of more than two years of intensive research and preparation and is now ready for distribution. Its 137 pages set forth a comprehensive system of mortgage loan analysis which goes far beyond the old and now inadequate system of property appraisal upon which mortgage loans have generally been granted. The advices from the Association, April 1, added:

"The new system of loan analysis developed in the manual involves four cardinal points: the rating of the neighborhood in which the property is located; rating of the property itself; rating of the borrower, and the summary rating of the payment pattern of the mortgage. Sound mortgage lending consists of a carefully reasoned balancing of these four factors, the manual emphasizes as its main thesis."

A foreword to the Manual states:

"Many bankers have learned in the years which have passed since the depression that they must make real estate mortgage loans on a more scientific basis if they are to avoid many problems and losses experienced in the past. They realize, too, that many factors and conditions which could be and were overlooked ten or twenty years ago must be carefully analyzed in determining the quality of a mortgage loan. New home materials and methods of construction, subdivision and development, neighborhood environment, transportation facilities, and complete information about the borrower and his ability to pay are among the factors that must be carefully weighed and valued in order to make safe real estate loans today."

The manual and the system of loan evaluation set forth in it are intended to aid mortgage loan officers to cope with these problems of modern mortgage lending. Its use, according to Dr. Fisher, should "enable lenders to make mortgage loans on a basis that is more satisfactory both to lenders and borrowers and make it possible for the lenders to advance as much money to as many borrowers on as favorable terms as possible, without exaggerating the risk of default."

Message to Yugoslav King

President Roosevelt on March 27 sent a message of friendship to King Peter II of Yugoslavia in London on the second anniversary of the overthrow of the regime which sought to lead Yugoslavia into the Axis. The message follows:

Washington, March 27, 1943.
His Majesty Peter II,
King of Yugoslavia,
London.

I renew my message of friendship sent you a year ago on this anniversary. With defiant courage the Yugoslav people cast back the challenge of a powerful aggressor and chose under your leadership valiantly to maintain their right to live as a free nation. This act still stands as a notable example of the principles our united arms are now defending.

FRANKLIN D. ROOSEVELT.

NAM Opposes Labor Draft As Harmful To Production; Offers Alternative Program

Opposition to the drafting of labor as a solution to the current manpower problem is voiced in a resolution of the Board of Directors of the National Association of Manufacturers made public on April 4 by the Association's President, Frederick C. Crawford, President of Thompson Products, Inc., Cleveland, Ohio. The resolution, which urges adoption of a detailed alternative program, reads in part:

"The National Association of Manufacturers does not believe in the principle of compulsory labor, and therefore opposes the enactment of legislation to that end.

"Free labor and free industry is the combination that has made and can preserve our American economy—particularly important in war. If good labor practices are followed by government, employers and workers, labor shortages can be avoided.

"Production would suffer, not benefit, from labor compulsion, because there is no substitute for the initiative and willing effort of free men."

In its overall appraisal of the current manpower problem, the NAM Board of Directors made these recommendations:

"1. Size of the nation's military forces would best be determined by the military authorities, and induction into the Army should be scaled to coincide with the ability to equip and maintain the armed forces.

"2. An immediate and complete investigation should be made by the proper Congressional Committee to obtain the true facts of the manpower problem—the extent to which actual shortages exist, if any; the areas in which they exist and the types of labor needed. 'There is a critical need of factual information about the extent to which, and the areas in which labor shortages are said to exist, both for immediate and estimated war production schedules,' the Board found. 'The bewildering variety of figures and estimates now available are confusing and contradictory.'

"3. Exploration of all existing methods and channels, designed to expedite the greater utilization and more effective allocation of labor supply."

The NAM Board said that not enough time has elapsed ot permit a true evaluation of the extent to which the greater utilization and more effective allocation of existing labor supply may solve existing manpower problems, wholly or in part. Mr. Crawford stated that there would be "a wide difference between a drafted soldier and a worker drafted under current proposals.

"A soldier, in the very nature of war, must be completely regimented and strictly disciplined," he said. "Such regimentation and discipline are matters of life and death to the individual soldier—and he knows it. Management is against the drafting of labor as a serious departure from the principles of a free society. Some measures can be taken, however, to utilize America's manpower much more efficiently, and if taken in time, may avoid the regimentation of forced labor."

The Association's Board enumerated the following nine specific suggestions which it urged management, labor and government to explore for the most effective handling of the manpower problem:

It recommended that (1) work schedules be lengthened to the maximum number of hours consistent with safety and preservation of health; (2) reduction of number of Federal employees; (3) development of a uniform method of measuring labor needs in order to eliminate duplications and confusions; (4) greater authority and discretion to area and regional WMC's in the determination of labor shortages; (5) development of more specific standards to serve as the measuring stick in determining "critical labor areas" or localities to be designated as shortage "Area No. 2"; (6) the more widespread use of incentive plans to increase the individual worker's productivity; (7) the immediate elimination, for the duration, of any and all practices which restrict the fullest utilization of labor—whether exercised by management, labor, or government; (8) control and reduction of absenteeism by management and labor, and (9) greater locality and area cooperation of employers to facilitate the fullest utilization and most effective distribution of available men and women workers.

New York Chamber Pays Tribute To Late J. P. Morgan

At the monthly meeting of the Chamber of Commerce of the State of New York on April 1 a resolution was adopted expressing profound sorrow at the death of John Pierpont Morgan, who had been a member of the Chamber for 49 years and served three times as a Vice-President of the organization. Mr. Morgan's death on March 13 was reported in these columns March 18, page 1001.

The minute to the memory of Mr. Morgan was presented by Percy H. Johnston, Chairman of the Chemical Bank & Trust Co., New York, and former President of the Chamber. It reads as follows:

"I rise to pay tribute to the memory of a great man and a great American gentleman — an old and dear friend—whose passing on March 13, last, removed from the world-scene one of the most noted financiers of all time, whose vision and genius contributed so measurably to the growth of the industry and commerce of the United States in the present century.

"In the death of John Pierpont Morgan, who had been an esteemed member of this Chamber for 49 years and thrice served as a Vice-President, our country lost one of its most distinguished elder statesmen whose ability and experience were ever available for the benefit of the Government in time of peace or time of war. Other nations, too, were indebted to him for his knowledge, counsel and resource.

"His keen judgment of men and his genius for organization brought together one of the ablest groups of financial leaders which the country has known—the House of Morgan—which under his and his father's direction won a reputation for public and financial responsibility and integrity accorded no other private banking institution.

"A gentleman of the old school, Mr. Morgan combined scholarliness and quiet dignity with qualities of militant leadership which inspired all with whom he came in contact. He was a man of stalwart character, abiding loyalties and a sense of civic responsibility which embodied the virtues of true citizenship.

"Mr. Morgan's affiliation with this Chamber dated back to 1894, and like his dintinguished father, for whom he was named, who was a member for 50 years and served four times as a Vice-President, Mr. Morgan also filled that office from 1913 to 1917, 1918 to 1922 and 1923 to 1927. He was always ready to give the Chamber the benefit of his counsel and guidance.

"Loyalty to this Chamber has been a family tradition of the Morgans and our members may feel proud of the fact that Mr. Morgan's two sons, Commander Junius S. Morgan, U. S. N., and Lieutenant Commander Henry S. Morgan, U. S. N., are both in the service of their country and are members of he Chamber.

"In recognition of Mr. Morgan's outstanding service to the welfare and progress of the nation, of his contribution to the arts and cultural knowledge of the world, of the dignity which he lent to American citizenship and of his loyalty and long service to the Chamber, therefore be it

"**Resolved,** That the Chamber of Commerce of the State of New York, in regular session assembled this first day of April, 1943, does hereby record its profound sorrow and loss in the death of its member and former officer, John Pierpont Morgan; and, be it furthur

"**Resolved,** That this resolution be spread upon the minutes of the meeting and an engrossed copy thereof be sent to the family of the late Mr. Morgan as an expression of the sympathy and esteem of the members of this Chamber."

Says Taxes Important In Inflation Fight

In a discussion of "The Impact of Taxation on Consumer Spending," Randolph E. Paul, General Counsel for the Treasury, declared on March 26 that the problem is one of immobilizing purchasing power in the hands of consumers, to prevent high incomes from exerting inflationary pressures on the cost of living.

Speaking before the Schoolman's Week Convention at the University of Pennsylvania, Mr. Paul said that "many measures have already been taken to this end and substantial assistance in combating inflation is afforded us by the rising volume of savings and wide public acceptance of the need to refrain from spending." "Nonetheless," he added, "much of the burden for combating inflation must fall to the tax system." Mr. Paul further declared:

"In deciding what particular taxes we will use for this purpose, it will be well to keep in mind that our taxes today affect consumer spendings not only this year and not only during the war, but will have a very direct effect on consumer spendings after the war. If we use them wisely, the war bonds, the liquid balances, and the post-war credits accumulated during the war can provide America with an instrument for sustaining a high level of consumer spending after the war."

Oppose State Pay-Go Tax

Telegrams were sent by the Commerce and Industry Association of New York to State Legislative leaders in Albany on March 25 urging them to oppose enactment of a bill, introduced by Assemblyman MacNeil Mitchell, which seeks to amend the tax law to provide for the withholding of income taxes at their source and to provide for the current payment of taxes in the manner provided under the Ruml plan.

"This Association approves the principle of this bill, but we question the advisability of the State enacting this type of legislation until it is definitely determined what the Federal Government proposes to do in regard to withholding income taxes at their source," wired Thomas Jefferson Miley, Secretary of the Association. "We believe it is important, in order to avoid confusion and great expense, on the part of employers, that State legislation, which would institute a withholding tax, should follow closely the procedure and requirements of Federal legislation on this subject."

Proposed Bill To Increase Usefulness Of Savs.-Loan Groups Considered By Assns.

The 4,000 managers of savings, building and loan associations and cooperative banks, which are affiliated with the United States Savings and Loan League received on March 30 for discussion the text of a legislative proposal designed to increase the usefulness of their type of institutions both for the war effort and in the post-war period. In announcing this, Ralph H. Cake, President of the League, said that the proposal is designed to implement policy approved at the War Conference of the League last November and to facilitate programs which have been urged by various League committees in past years. Some of the suggestions were incorporated in a bill which passed the House of Representatives three years ago.

The features of the proposal, as indicated in the announcement March 29, are:

1. The return of $62,500,000 to the Government, retiring half of the capital stock which the Treasury invested in the Federal Home Loan Bank system when it was created 11 years ago. The capital stock in the system required to be owned by member home-lending institutions would be increased to make up for part of this Government capital retired. The plan as put forth for discussion would give the home loan bank system a minimum of $125,000,000 capital, reserves and surplus, considered adequate for its functions in line with the ratio of capital to outstanding obligations in other reserve systems of similar nature. The Federal Home Loan Bank system now has capital, reserves and surplus of $191,000,000. The retirement at par of half of the Government-owned stock in each of the 12 Federal Home Loan Banks and increase of institution-owned stock would take place within six months from the time of enactment of such a measure.

2. Authorization for the Secretary of the Treasury to purchase debentures of the Federal Home Loan Bank system and of the Federal Savings and Loan Insurance Corporation in national emergencies and at any time the public interest warrants it. The proposal is in line with already established legislation protecting the agencies of the Farm Credit Administration, the Federal Intermediate Credit Banks, and the Federal Deposit Insurance Corporation.

3. Broadening of the lending powers of Federally-chartered savings and loan institutions to permit them to make loans up to 90% of the value of an owner-occupied home valued at $6,000 or less, provided such lending is protected by a special addition to reserves equivalent to 3% of the face amount of such loan. This plan to facilitate home building on small down payments with private capital seeking no Government-insurance of the risk or other Government support is referred to in the draft of proposed legislation as the "Excess Reserve loan plan."

4. Broadening of the lending powers of Federal savings and loan institutions to accomplish a similar purpose as in No. 3 by an alternate method. Under this provision they would be permitted to make loans up to 90% of the value of an owner-occupied home valued up to $6,000, provided the builder of the property or some other person deposits with the lending association collateral security equal to from 3 to 5% of the amount of the loan over 80% of value. Acceptable security for collateral could be share accounts in the association, government bonds or cash. This is termed the "Builder's Pool Plan."

5. Provision for Federal associations to make loans for property maintenance, repair, modernization or improvement up to $2,500 and up to 25% of their own assets without requiring a first lien or other security.

6. Reduction of the annual premium paid by the savings and loan institutions whose share accounts are insured by the Federal Savings and Loan Insurance Corporation from 1/8 of 1% to 1/12 of 1% of insured liabilities.

The text of the proposed legislation has been submitted for discussion throughout the savings and loan business, after detailed conference by the Board of Directors of the United States Savings and Loan League which met in Chicago two weeks ago, Mr. Cake said.

New Labor Shortage Areas

Industrial areas in which labor shortages have become acute now number 36—four more than a month ago—according to a new classification made public March 18 by the War Manpower Commission. Three communities—Akron (Ohio), Bath (Me.) and Portsmouth (N. H.) — however, have been shifted from the shortage list to the group areas in which there is a present balance of labor supply and demand.

The communities added to the list of shortage areas are Portland (Me.), Burlington (N. C.), Evansville (Ind.), Gary-Hammond-South Chicago (Ind. and Ill.), Tampa (Fla.), Savannah (Ga.) and Wilmington (N. C.).

The Commission's announcement further stated:

"This classification of 270 industrial areas according to the availability of labor was intended primarily as a guide for procurement agencies in the placing of war contracts.

"The surplus areas were designated by the War Manpower Commission as those in which an effort should be made to renew contracts, place new contracts and locate new production facilities. It was suggested that contracts should not be let or renewed in shortage areas unless alternative facilities are not available elsewhere.

"In addition to Group I, showing the areas of current labor shortage, the classification includes three other areas. Group II, which includes 103 areas, contains the areas of current balance of labor supply and demand; Group III, numbering 55 areas, where the balance of labor supply and demand is anticipated within six months but where the supply is now adequate, and Group IV, having 78 areas, in which there is now a labor surplus.

"An indication of an easement of the labor market situation in a few communities was the transfer of four areas from Group II to Group III. These areas are Berwick (Pa.), Benton Harbor (Mich.), Madison (Wisc.), and Pontiac (Mich.).

"Shifted from Group III, however, to Group II, which includes the areas of current balance of labor supply and demand, were Johnstown (Pa.), Charlotte (N. C.), Lorain (Ohio), Aurora (Ill.), Chicago (Ill.), Jacksonville (Fla.), Oklahoma City (Okla.), Galveston (Texas), Texarkana (Texas), and Houston (Texas).

Previous reference to the labor shortage areas, where the 48-hour work-week has been ordered into effect, was made in these columns of Feb. 25, page 758.

New Management Labor Council For WPB

Donald M. Nelon announced on March 29 the formation of a Management - Labor Council to meet periodically with the Chairman and other top officials of the War Production Board, to discuss WPB plans and policies as they may affect organized industry and organized labor and in general to bring both groups more intimately and effectively into the war program. Mr. Nelson, Chairman of the WPB, stated that the Council will have eight members, four of whom have been named by him; they are:

Eric Johnston, President of the Chamber of Commerce of the United States.

Philip Murray, President of the Congress of Industrial Organizations.

Fred Crawford, President of the National Association of Manufacturers.

William Green, President of the American Federation of Labor.

The announcement of the WPB added:

"Each of these men will select one additional member from his own organization to sit with him in the meetings of the Council.

"The first meeting of the new Council will be held at 9:30 Friday morning, April 2, in Mr. Nelson's office.

"In announcing formation of the Council, Mr. Nelson pointed out that in the past he has frequently consulted with all four of the members individually on matters in which management or labor, or both, had a special interest. While such discussions have been most useful, he said, he has felt for some time that their value could be greatly increased if the channel through which they are held were formally established and if the discussion could take the form of joint meetings with management and labor together."

Mr. Nelson stated:

"The plans and policies of the War Production Board have a constant impact on employer and employee. Both should have, and through this Council will have, a better understanding of what the War Production Board is doing and why. The impact of these actions on the economy of the country can well be evaluated by this representative group, and their advice can be obtained on any measures desirable in the national interest and lying within the War Production Board's scope of authority.

"I am therefore creating this Management-Labor Council to meet with me and the Vice Chairmen of the War Production Board at fairly frequent intervals. In addition, I believe it may be useful from time to time to invite to these meetings outstanding citizens who, by reason of their broad experience in public service, may be in a position to make a contribution to a particular discussion.

"I hope that through this Council we can bring both organized industry and organized labor more closely and effectively into the war program, both to the end that ideas and suggestions from them may be brought to us and so that we in the War Production Board may consult with them on plans and policies which are still in the formative stage."

Chicago Home Loan Bank Investments At Peak

The peak which investments in insured savings, building and loan associations have reached in the Illinois-Wisconsin district since the program for insuring share accounts started is reported for the close of 1942 by A. R. Gardner, President of the Federal Home Loan Bank of Chicago. The consolidated reports from the 289 insured savings and loan institutions in the district showed $300,104,768 of private share capital at the close of the past year, a gain of $22,097,368, or 8% in the last six months of 1942. The program of insuring share accounts in savings and loan institutions has rounded out its eighth year, Mr. Gardner recalled. The advices from the Bank, under date of March 30, also stated:

"Total assets of these associations, all of which are affiliated with the Federal Home Loan Bank of Chicago, reached $381,648,824 by the end of last year, and they held mortgage loans of $288,444,022. Mr. Gardner said that this total was within three-tenths of 1% of their peak of mortgage loans outstanding, which was at mid-years of 1942. Their decrease of some $700 000 in such loans during the last six months was due to heavy repayments on loans by existing borrowers whose increased war job and war economy incomes made it possible for them to liquidate their debts ahead of schedule.

"An increase of reserves and undivided profits ranging from 0.5% to 1% of total assets of these institutions was shown in the great majority of the reports of insured associations. There are 203 associations with insurance of accounts in Illinois and 86 in Wisconsin, Mr. Gardner said."

Headley On Faculty Of ABA Graduate School

Louis S. Headley, Vice-President of the First Trust Co. of St. Paul State Bank, St. Paul, Minn., has been appointed to the faculty of the Graduate School of Banking of the American Bankers Association, it is announced by Dr. Harold Stonier, director of the school. The Graduate School of Banking is conducted by the ABA at Rutgers University, New Brunswick, N. J., offering courses in advanced study for executives of banks throughout the country, with an enrollment of 600 bank officers. The school offers a two-year course in banking, economic, and other subjects related to the banking business, requiring three resident sessions at Rutgers University of two weeks each, and two years of extension study at home. The school has a faculty of 50 instructors and lecturers, half of whom are bankers, accountants, and business men who lecture on the practical aspects of their subjects, and half of whom are college professors who lecture on the theoretical side. Mr. Headley, who will be a lecturer on trust investments, will begin his lectures at the session to be held at Rutgers University from June 14-26 this year. Oliver S. Powell, First Vice-President of the Federal Reserve Bank of Minnesota, is also a member of the Graduate School faculty.

Mr. Headley is a graduate of Carleton College, Northfield, Minn., and the Harvard Law School. For two years after his graduation from the Harvard Law School he practiced law in New York City. Subsequently he served in the Attorney General's office at St. Paul for two years, and then took up the practice of law in St. Paul. In 1918 Mr. Headley joined the Northwestern Trust Company of St. Paul. Later he became an officer of the First Trust Co. of St. Paul—consolidation of the Northwestern Trust Co. and the Merchants Trust Co. there. He is now Vice-President of the succeeding institution, the First Trust Co. of St. Paul State Bank.

In 1940 Mr. Headley was elected Chairman of the Executive Committee of the Trust Division of the American Bankers Association. The following year he was elected Vice-President of the Division, and became President of it in September, 1942. As President of the Trust Division he is also a member of the Executive Council of the Association.

New Wheat-For-Feed Program In Effect

President Roosevelt signed on March 25 legislation permitting the Commodity Credit Corporation to sell an additional 100,000,000 bushels of Government-owned wheat for feed purposes. The Senate passed the measure on March 19 and the House on March 15.

The legislation provides that none of the wheat may be sold at a price less than the parity price of corn at the time such sale is made. The resolution further provides that, in making regional adjustments in the sale price, the minimum price shall not be higher in any area than the United States average parity price for corn.

Last year Congress authorized the sale of 125,000,000 bushels of wheat for feed for animals and poultry but this was sold at 85% of the corn parity price. Under the new bill, the wheat would be sold at 100% of the corn parity price, which is about $1.03 a bushel. The last of the 125,000,000 bushels authorized last summer was sold early in March.

In announcing on March 26 that immediate action will be taken to put into effect the previsions of the bill, Secretary of Agriculture Wickard said that the additional 100,000,000 bushels of wheat now available should help materially to ease feed shortages developing in many localities.

Supplies of Government-owned wheat are available in all principal terminals and are ready to go as fast as orders can be handled and freight cars obtained, loaded, and shipped. Secretary Wickard urged that dealers with adequate stocks on hand delay their orders until urgent needs can be filled. Orders can be placed through dealers, distributors, Commodity Credit Corporation regional offices, and Agricultural Adjustment Agency county committees.

Approval of the resolution by the House farm group was referred to in our issue of March 18, page 1026.

1941 Income Tax Returns Number 25,618,013

Secretary of the Treasury Morgenthau made public on March 25 statistics from the preliminary report, Statistics of Income for 1941, Part 1, compiled from individual income tax returns and taxable fiduciary income tax returns for 1941 filed in the period January through June, 1942, prepared under the direction of Commissioner of Internal Revenue Guy T. Helvering.

The following figures were contained in the Treasury's announcement:

"The total number of returns filed is 25,618,013, of which 15,477,996 are individual returns, Form 1040; and 10,057,299 are the optional form, Form 1040A, filed by individuals with certain gross income of $3,000 or less; and 82,718 are taxable fiduciary returns, Form 1041.

"The total net income reported is $58,862,154,484 and total tax is $3,892,410,074.

"There are 17,417,215 taxable returns, of which 17,416,919 show net income of $45,986,130,727, and 296 show deficits of $7,557,945, owing to net long-term capital loss, but with $2,303,376 alternative tax.

"Of the non-taxable individual returns, 8,101,499 show net income of $12,876,023,757—non-taxable because exemptions and credits exceed income; and 99,299 show a deficit of $284,023,492—returns on which deductions equal or exceed total income.

"For all returns with net income, the average tax is $152 and the effective tax rate is 6.6%; for the taxable returns with net income the average tax is $223 and the effective tax rate is 8.5%."

Non-Ferrous Metal—Use Of Gold Tentatively Planned In Post-War Currency Stabilization

Editor's Note.—At the direction of the Office of Censorship certain production and shipment figures and other data have been omitted for the duration of the war.

"E. & M. J. Metal and Mineral Markets," in its issue of April 8, stated: "Producers of non-ferrous metals, many of whom have been completely in the dark about the place that gold is to occupy in the post-war world, were greatly encouraged last week when the Treasury revealed that tentative plans for international currency stabilization provide for wide use of the precious metal. Whether the price of gold is to be stabilized at $35 is not known." The publication further went on to say, in part:

Gold

"Plans for the stabilization of post-war currencies are being discussed in Washington and London. A stabilization fund and an international unit of value, tied to gold, are being considered. The British have tentatively named this unit the 'bancor,' whereas Treasury officials here lean toward the 'unitas' as a symbol for notes to be used in settling trade balances.

"The stabilization fund, according to Secretary Morgenthau, would deal only with treasuries and central banks, and it would not compete with private banks or existing agencies.

"London advices received here on April 5 indicate that our Treasury's proposal calls for a $5,000,000,000 United Associated Nations stabilization fund, with resources consisting of gold, currencies, and securities of the participating governments. The United States may contribute as much as $2,000,000,000.

Copper

"Producers report that conditions surrounding the marketing of copper have not changed. WPB continues making minor revisions in regulations governing the sale and use of copper products. During the last week the use of copper chemicals for plating was specifically restricted where use of copper products or copper alloy products has been prohibited. To bring products of brass and bronze ingot makers under one-price regulation, OPA added brass and bronze shot to the maximum price order.

"Quotations for copper continued on the basis of 12¢, Connecticut Valley.

Lead

"Supply of lead under prevailing conditions is generally viewed as ample. Any deficiencies in domestic output are being taken care of through imports. Total sales—domestic and foreign lead—are larger in volume than at this time last year. Quotations continued at 6.50¢, New York, and 6.35¢, St. Louis.

Zinc

"Total output of zinc has not been going into consumption for some months past, indicating that a fair tonnage is being added to the reserve supply. Quotations continued on the basis of 8¼¢ for Prime Western, East St. Louis.

"The Park-Walton mine, in northeastern Oklahoma, is being dewatered by the Bureau of Mines to clear the property for exploration and development. The mine is classified by the industry as a 'marginal' producer.

Calcium

"Metallic calcium was placed under allocation by the War Production Board through issuance on April 1 of General Preference Order M-303. The metal is used extensively in metallurgy, including production of magnesium for casting, stainless steel alloys, zirconium, and various special alloys. Distributors quote the market at $1.25 a pound, ton lots.

Tin

"The tin products industry must put an end to the careless and wasteful use of tin alloys by consumers for purposes where either a substitute material or a lower tin content can be specified, Erwin Vogelsang, head of the Tin-Lead Division, WPB, told members of the newly formed advisory committee last week. It has come to the attention of WPB that body solder is being sold and used without authorization for repairing bodies and fenders of automobiles, he said. WPB prohibited such use more than a year ago. Black market operations in tin must be stopped, he warned, and asked the cooperation of every smelter, refiner and scrap metal dealer in assisting the authorities in controlling consumption.

"The Bureau of Mines reports that exploration of the Lost River tin mine on the Seward Peninsula, Alaska, indicated 'a substantial tonnage of low-grade tin ore.'

"Quotations for tin remain unchanged. Straits quality metal for shipment, cents per pound, was as follows:

	April	May	June
April 1	52.000	52.000	52.000
April 2	52.000	52.000	52.000
April 3	52.000	52.000	52.000
April 5	52.000	52.000	52.000
April 6	52.000	52.000	52.000
April 7	52.000	52.000	52.000

"Chinese tin, 99% grade, continued at 51.125¢ a pound.

Quicksilver

"Advices from South Africa indicate that a limited quantity of quicksilver is being produced in that area. Under war conditions, new sources of supply have been coming into the picture.

"The price situation here remains unchanged, quotations holding at $196 to $198 per flask. Some nearby business was booked at $197.

Silver

"During the last week the silver market in London has been quiet, with the price unchanged at 23½d.

"The New York Official and the U. S. Treasury prices are unchanged at 44¾¢ and 35¢, respectively.

Daily Prices

The daily prices of electrolytic copper (domestic and export, refinery), lead, zinc and Straits tin were unchanged from those appearing in the "Commercial and Financial Chronicle" as of July 31, 1942, page 380.

Commends FNMA For Offer To Buy Back Mortgage Loans

The action of the Federal National Mortgage Association in offering private mortgage bankers the opportunity to buy back those FHA insured mortgage loans which they originated and sold to the Federal agency and which they are now servicing for it, is a heartening and constructive Washington development, Charles A. Mullenix, President of the Mortgage Bankers Association of America, said on April 3. "The Federal National Mortgage Association's action is fair and reasonable. Mortgage bankers appreciate the Federal Association's cooperative attitude." The Federal National Mortgage Association, chartered in February, 1938, under the National Housing Act, advised mortgage bankers who had sold FHA mortgages to it that if they wished to buy back any or all of these loans, bids should be submitted by March 15 naming prices. Since then the Association has postponed action on the sale for 60 days.

According to Mr. Mullenix, the offer to sell these mortgage loans to those who originated them and are now servicing them is no indication whatever that the agency might discontinue business. The Association, he said, has performed a very vital function in the mortgage system for the past five years inasmuch as it has been a certain buyer for certain FHA loans, thereby acting as the most stabilizing influence in the market.

He said he believed mortgage bankers generally will want to purchase the loans they originated and now service, providing the price is in line with the market.

The Federal National Mortgage Association had total assets of $221,899,262 on June 30 last and has capital stock of $10,000,000. Its issue of $29,748,000 of series A, 2% notes is due May 16 this year.

March War Bond Sales Far Above Year Ago

The Treasury Department revealed on April 2 that sales of war savings bonds in March totaled $944,276,000, an increase of $386,384,000, or 69.3% over March, 1942. The sales in the two previous months of 1943 were approximately $1,240,444,000 in January and $887,195,000 in February. The total amount of war bonds purchased from the inception of the program in May, 1941, through March, 1943, is about $14,766,082,000.

The most notable increase in March sales was in the amount of Series E bonds, which totaled $720,407,000, as compared with $337,599,000 in March, 1942.

The Federal Reserve Bank of New York reported on April 2 that sales of war bonds during March, exclusive of United States post offices, aggregated $140,100,000, against $109,000,000 in March, 1942, and $142,000,000 in February, 1943. Of this total, Series E bonds amounted to $93,200,000; Series F, $7,200,000, and Series G, $39,700,000, representing a substantial rise for E and declines for F and G obligations.

The Bank also reported that March sales of tax anticipation notes were up to $180,600,000, against $101,200,000 in March, 1942, and $159,000,000 in February, 1943.

'Bond Tuesday' Urged For Nation's Stores

As a means of assisting the United States Treasury in achieving its huge objective of selling $13,000,000,000 worth of War Bonds in April, the Board of Directors of the National Retail Dry Goods Association has approved a plan of asking all stores throughout the United States to make each Tuesday for the duration of the drive "Bond Tuesday."

Under this plan, which was proposed by Edward N. Allen, of the Sage-Allen Co., Hartford, Conn., and President of the Association, stores participating will advertise no merchandise for "Bond Tuesday" but will devote the advertising commonly used for merchandise to the sale of bonds. Commenting on the plan, Lew Hahn, General Manager of the N. R. D. G. A., said:

"We know that retailers everywhere are eager to do all they can to help the war effort and that, as business men, they realize the need of securing sufficient funds with which to wage the war is as basic as the need of men. If through any chance the Government should fail to raise needed funds all other activities of Government, and of private enterprise, would be pointless. Therefore we anticipate that retailers will rush to the support of 'Bond Tuesday.'"

Smaller War Plants Corp. Given Independent Status

The Smaller War Plants Corporation has been reorganized as a virtually autonomous agency for administrative purposes but is still a part of the War Production Board.

Under an order issued March 24 by WPB Chairman Donald M. Nelson, the duties, employees, records and equipment of the Smaller War Plants Division of the WPB, both in Washington and in the field, were transferred to the corporation.

Mr. Nelson delegated his powers in full to the new chairman of the SWPC, Col. Robert W. Johnson, who also is Vice Chairman of the WPB in charge of the Smaller War Plants Division. Mr. Nelson retains general supervisory authority, however, and will appoint SWPC directors as provided for in the Smaller War Plants bill.

The SWPC was created by Congress last July with a capital of $150,000,000 to promote conversion of small plants to war work and assist them in obtaining Government contracts.

The order by Mr. Nelson on March 24 instructs the corporation to set up the necessary organization and to undertake all the administrative activities previously performed for it by the WPB, "notwithstanding any WPB orders or instructions to the contrary."

The reorganization of the SWPC followed Congressional complaints that the WPB was too busy, and too extensively staffed by officials from big corporations, to accord the necessary consideration to the problems of small plants and shops.

The Senate Small Business Committee on March 11 declared against the "opposition and indifference" among Federal procurement officials to the full use of productive capacities of little concerns. The Committee also criticized the "widespread misunderstanding of the productive capacity of smaller plants" and the absence of any well-coordinated planning of war production and essential civilian supply."

Farm Labor Force Far Below Normal: NICB

The farmers of the United States entered the crop season this year, when a new all-time-high production record is being demanded, with a labor force which is numerically the smallest on record and far less than normally effective, according to the National Industrial Conference Board. The Board's advices, made available April 5, state that fully 125,000 fewer hired hands were at work on the farms than in the 1935-1939 period, while the number of farm family workers was more than 500,000 below the comparable 1935-1939 average. It is further announced that total agricultural employment, including both family workers and hired help, in February of this year was about 90,000 below last year. During January and February the figure average 8,410,000 against 8,527,000 last year, 9,069,000 during 1935-1939 and 9,190,000 in 1929. "This numerical reduction," says the Board in commenting upon the situation, "has been accompanied by a sharply lowered level of efficiency per worker because of losses of skilled able-bodied farmers to the military forces and war industries, and their replacement by less experienced farm hands, women and youths below draft age." The Board adds:

"Due chiefly to unusually favorable weather conditions in 1942, the volume of agricultural production was 27% greater than in 1935-1939. With a working force almost 8% below that of 1935-1939—actually well below this percentage if effectiveness per worker is considered—agriculture has been asked to better this all-time production record.

"Employment rose during February as farm activities were increased seasonally. The number of farm family workers reported was somewhat greater than a year ago, but this increase was not sufficient to offset a drop of 113,000 in the number of hired workers since last year. As a result, total agricultural employment fell short of its 1942 level by roughly 90,000."

Geier Named Cincinnati Fed. Reserve Director

The Federal Reserve Bank of Cleveland announced on March 25 that Frederick V. Geier, of Cincinnati has been appointed a director of Cincinnati branch of the Fourth District (Cleveland) Reserve bank. Mr. Geier represents important civic and business interests in the Cincinnati area, and his appointment is in keeping with the announced policy of the Fourth District bank to establish and maintain the closest possible contact with the industrial, commercial and agricultural interests of the territory which it serves.

With his graduation from college Mr. Geier entered the employ of The Cincinnati Milling Machine Co., with which his service has been uninterrupted except for service as an Ordnance Sergeant in the United States Army during World War I. He was elected president in 1934, which office he now holds. He has served as treasurer, director vice-president and president of the National Machine Tool Builders' Association. He is a former director of the Cincinnati Chamber of Commerce, and is past president of the Cincinnatus Association.

At the present time he is an associate member of the American Society of Mechanical Engineers; vice-president and trustee of the Cincinnati Society of Natural History; trustee of Ohio Mechanics Institute; trustee of Berkshire School, Sheffield, Mass., and a director of Central Trust Co., Union Central Life Insurance Co., Cincinnati Rubber Manufacturing Co., American Rolling Mill Co., and various other manufacturing corporations. He was recently appointed chairman of the Cincinnati Committee of the National Committee for Economic Development, and is also director of the Army Ordnance Association.

First Quarter Rayon Shipments At Record

Deliveries of rayon yarn by American producers amounted to 119,600,000 pounds during the first quarter of 1943, states the "Rayon Organon," published by the Textile Economics Bureau, New York. This total represents an increase of 2,400,000 pounds or 2% as compared with shipments of 117,200,000 pounds reported for the first quarter of 1942. On April 8 the advices added:

"For March, alone, shipments totaled 42,700,000 pounds as compared with 39,000,000 pounds in February and 40,000,000 pounds in March, 1942.

"Total deliveries of rayon (yarn plus staple fiber) aggregated 158,800,000 pounds during the first quarter against 153,600,000 pounds shipped in the first quarter of 1942 and 130,400,000 pounds shipped in the first quarter of 1941.

"Stocks of rayon yarn in producers' hands on March 31 totaled 6,800,000 pounds as compared with 7,100,000 pounds held on Feb. 28. Staple fiber stocks held by producers on March 31 totaled 2,800,000 pounds as compared with 2,500,000 pounds held on Feb. 28."

Building Construction Activities In The First Full Year Of War

Tremendous changes in building construction activities occurred in the United States during the first full calendar year of our participation in the global conflict now raging. Construction that was essential to war production and to actual waging of the war was stimulated to a degree that occasioned all-time records in such activities. Non-essential construction came to a virtual halt.

These trends already were in evidence during the period of defense stimulation in 1941 and earlier years. Upon our projection into the war in December, 1941, they were brought rapidly to culmination. Ordinary criteria for gauging the course of building construction must, of course, be abandoned while this state of affairs exists. The statistics, nevertheless, are illuminating and indicative of things to come.

Immediately upon our entry into the global war contracts by the hundreds and thousands were let for vast construction projects, designed to turn the productive forces of the country completely into the channel of war activities. Immense new plants, financed mainly by the United States Government, rose like magic in all parts of the country so that great masses of airplanes, tanks, guns and ships could be set moving toward our own armed forces and those of our associates of the United Nations.

The supply of metals, rubber, lumber and other materials was altogether inadequate for maintenance of this vast production schedule, save at the expense of private construction. Accordingly, private construction was discontinued almost entirely.

The situation, as it affected private construction, is epitomized by War Production Board order L-41, issued April 9, 1942, which limited private residential construction to projects involving no more than $500. This order was amended on Sept. 7, 1942, in a manner to limit to $200 the private residential construction that might be undertaken without special permits.

Residential construction was, on the other hand, far from discontinued during 1942. In the areas of great war production units, housing problems were often acute. Local housing authorities, aided by Federal agencies, hastily constructed large low-rent housing units in many of the areas, thus alleviating to a degree the serious conditions that began to prevail in 1941 in the defense project regions. It can hardly be said that the lack of adequate housing was remedied entirely, but a good start was made.

These, then, are the major circumstances affecting the course of building activities in 1942. It is obvious that similar conditions will continue to prevail until the war is won and perhaps for some time thereafter. Our war effort still is on the increase, and even the successful termination of the conflict will not mean an end to the effort, since a large permanent military establishment seems assured.

With the length of the war still a matter of mere conjecture, it is idle to attempt a forecast of post-war conditions in the building line. The circumstances of the ensuing peace are entirely enshrouded in foggy uncertainty. What is clear, on the other hand, is that many extraordinary populational shifts are occurring under the stress of war and the induction of a sizable part of the people into the armed services. These will have an important bearing upon the heavy building construction that necessarily will follow the return of peace.

More than ever apparent, moreover, is the validity of certain principles which we always have maintained in these annual reviews of building construction activities. Private building, we have steadily pointed out, tends to meet the genuine economic requirements of the people far better than does public construction. But in wartime, of course, private wishes and desires have to be subordinated to martial requirements, not only in the matter of building, but also in the minutia of daily living, as our vast and growing rationing schemes attest.

We also have proclaimed on all occasions that private construction is far more economical than public building, since costs can be far better controlled and the judgment of seasoned individuals employed in the private projects to better effect than in public enterprises. It is only necessary to point to the extensive renegotiation of war contracts and to some of the difficulties encountered at various vast war plants to bring this point home. We mention these matters only to emphasize the necessity for earliest possible reversion to ordinary private activities, after conclusion of the war.

We turn now to our compilation covering building permits in all the leading cities of the United States for 1942 and previous years. This survey shows immediately the drastic effect of our involvement in the war upon ordinary private building. The slow but steady improvement that was in progress after the pit of the depression of the 1930's was passed came suddenly to an end, with all energies centered upon the public construction contingent upon the war.

Since there never was any real and widespread recovery in private building activities during the 1930's, this means that the real demands of our increasing population for adequate and satisfactory housing are in good part still unfulfilled. For more than 13 years in other words, residential construction has been subnormal, and now that we are in the midst of a world conflict it has dwindled almost to the vanishing point. The potential of building construction is, of course, increasing with every year of subnormal activities, and if the war is long continued it will be perfectly enormous at the end of the conflict.

It is noteworthy, in this connection, that there is much talk of new types of construction after the war,

UNITED STATES BUILDING OPERATIONS

	1942	1941	Inc. or Dec.	1940	1939	1938	1937	1936	1935
New York City—	$	$	%	$	$	$	$	$	$
Manhattan	11,200,768	37,140,595	—69.8	48,812,161	51,117,073	65,102,651	87,210,685	59,967,761	44,910,370
Bronx	2,529,725	16,610,940	—84.8	34,915,306	42,976,825	46,147,664	50,261,047	54,907,333	22,447,219
Brooklyn	14,024,282	40,561,140	—65.4	66,480,026	56,339,474	62,201,153	66,107,595	42,507,060	48,907,810
Queens	16,931,485	55,099,897	—69.3	67,314,312	80,429,839	150,040,652	97,439,002	50,203,089	30,424,219
Richmond	3,776,260	3,763,415	+ 0.3	4,644,669	2,369,012	3,139,015	6,400,423	3,640,211	5,914,036
Total New York City	48,462,520	153,175,987	—68.4	222,166,474	233,232,223	326,631,135	307,418,752	211,225,454	152,603,654
New England States—									
Me.—Portland	1,648,300	1,626,775	+ 1.3	1,133,517	889,731	617,738	764,149	680,608	398,816
N. H.—Manchester	386,661	2,968,717	—87.0	1,154,761	1,216,823	1,730,637	1,353,129	749,529	389,725
Vt.—Burlington	78,950	*667,200	—88.2	1,747,861	402,767	*300,000	406,975	407,321	369,492
Mass.—Attleboro	113,855	370,961	—69.3	623,999	*100,000	*150,000	*160,000	*150,000	*100,000
Beverly	166,810	633,607	—73.7	792,640	403,280	414,002	451,857	339,022	158,971
Boston	9,841,894	12,079,322	—18.5	11,094,508	17,209,382	11,393,880	21,419,497	11,809,103	13,537,429
Brockton	244,097	667,642	—63.4	437,037	402,767	269,905	520,220	336,315	399,789
Brookline	322,090	2,469,290	—87.0	1,803,745	1,793,265	2,103,765	2,485,081	2,462,735	1,687,161
Cambridge	1,886,443	4,231,590	—55.4	1,945,875	2,954,816	3,210,069	3,600,869	1,583,735	867,890
Chelsea	139,829	180,630	—22.6	192,673	192,621	245,995	188,922	126,013	830,472
Chicopee	385,995	694,090	—44.4	711,660	130,380	175,845	336,020	311,285	308,512
Everett	460,954	3,303,147	—86.0	287,579	263,322	638,586	226,969	192,107	144,305
Fall River	198,289	650,350	—69.5	2,755,411	558,119	681,164	567,365	311,900	195,242
Fitchburg	586,192	858,966	—31.8	465,584	661,973	423,532	390,199	326,421	1,098,563
Haverhill	67,350	373,155	—82.0	197,541	604,855	141,889	267,652	312,406	148,594
Holyoke	1,378,395	976,135	+41.2	1,086,275	346,460	472,925	425,525	662,060	339,735
Lawrence	296,393	1,152,975	—74.3	1,652,606	827,805	618,418	1,034,819	983,230	376,261
Long Meadow	188,085	565,900	—66.8	400,050	266,375	297,750	351,000	364,550	134,950
Lowell	328,342	502,886	—34.7	2,546,813	508,518	416,118	574,470	552,909	255,873
Lynn	2,791,914	4,078,108	—31.5	1,576,490	1,004,514	1,946,538	1,11[illegible]830	653,309	797,572
Malden	520,301	394,025	+32.0	461,730	1,508,174	408,957	465,455	542,331	166,944
Medford	219,923	795,063	—72.3	565,480	400,847	1,164,521	436,547	877,418	301,952
New Bedford	353,955	1,357,223	—73.9	2,349,865	887,550	516,889	791,780	361,390	356,675
Newton	524,384	2,894,589	—81.9	2,869,476	2,967,330	2,808,960	3,266,179	4,431,578	2,594,310
North Adams	48,604	353,102	—86.2	186,080	339,329	162,484	241,591	120,788	121,502
Northampton	239,889	401,880	—40.3	219,328	735,862	205,696	428,493	572,660	509,526
Pittsfield	2,559,925	1,913,850	+33.8	2,574,028	894,300	903,607	896,396	548,373	406,969
Quincy	1,755,843	3,544,707	—50.5	2,458,418	2,346,131	1,411,784	1,117,927	1,103,652	848,186
Revere	101,765	343,849	—70.4	241,861	139,135	144,705	354,641	392,799	414,201
Salem	343,787	978,912	—64.9	895,566	530,278	420,452	658,105	851,305	828,638
Somerville	741,018	777,457	— 4.7	561,661	365,125	270,132	427,487	545,635	299,908
Springfield	3,168,272	2,504,263	+26.5	1,887,339	3,501,007	2,246,931	2,803,045	1,273,790	578,305
Waltham	1,245,730	1,511,354	—13.6	1,166,215	1,012,848	850,661	641,107	953,187	661,782
Westfield	112,862	382,759	—70.5	226,817	150,507	150,481	165,100	145,780	110,960
Worcester	2,459,032	6,563,125	—62.5	3,821,822	3,526,015	3,401,662	3,273,201	1,957,820	1,949,839
Conn.—Ansonia	182,425	249,850	—27.0	*140,000	148,000	238,180	231,485	*100,000	35,000
Bridgeport	4,886,448	6,517,925	—25.0	5,038,256	6,129,335	1,888,124	2,824,862	1,716,610	1,187,202
Bristol	2,558,754	2,400,108	+ 6.6	891,436	598,232	367,243	745,213	500,318	404,331
Danbury	259,036	567,485	—54.4	345,235	556,795	340,210	480,952	214,513	228,226
Hamden	1,369,645	1,978,132	—30.8	2,017,361	*1,600,000	619,979	910,894	511,433	355,573
Hartford	4,040,608	14,673,330	—72.5	7,562,761	3,379,487	4,331,157	6,285,237	3,103,698	2,670,204
Manchester	2,344,211	2,279,043	+ 2.9	1,688,806	1,007,633	1,078,749	682,058	380,790	169,005
Meriden	663,111	1,906,780	—65.2	899,822	791,086	759,135	984,530	409,761	407,879
Middletown	266,469	550,359	—51.6	46,156	522,574	596,004	257,977	381,888	384,240
New Britain	694,605	1,841,417	—62.3	2,454,560	945,976	934,426	791,780	1,118,697	722,758
New Haven	3,016,616	4,987,208	—39.5	4,822,922	3,800,375	2,727,065	4,456,442	1,692,806	1,362,888
New London	2,737,489	*1,119,544	+44.5	3,942,574	2,128,575	756,445	685,313	335,160	174,749
Norwalk	945,884	1,892,075	—50.0	2,786,530	2,168,552	1,330,445	1,492,924	1,783,976	695,134
Norwich	105,935	156,540	—32.3	205,253	380,907	398,811	356,578	254,985	120,581
Shelton	*250,000	398,025	—37.2	345,273	206,690	160,000	350,000	94,750	78,295
Stamford	743,725	743,249	+ 0.1	2,187,356	1,788,838	2,330,797	1,027,812	911,385	626,710
Stratford	2,424,478	2,227,522	+ 8.8	2,105,338	1,503,830	911,945	835,948	840,185	339,941
Torrington	287,118	670,095	—57.2	534,320	537,856	444,581	545,238	503,904	225,861
Waterbury	1,612,240	2,851,060	—43.5	1,946,265	1,036,335	1,605,125	1,386,100	1,319,576	492,765
West Hartford	2,545,332	4,387,873	—42.0	7,799,230	4,934,722	2,721,715	4,259,032	4,009,115	3,740,882
West Haven	594,281	739,780	—19.7	602,321	550,552	321,750	377,167	88,700	101,125
Willimantic	2,198,394	206,147	+966.6	39,225	40,000	*50,000	*40,000	37,320	33,977
R. I.—Central Falls	*65,000	103,185	—37.0	98,938	103,738	87,840	101,540	49,475	115,547
Pawtucket	1,463,966	1,549,396	—70.1	1,658,575	1,324,031	1,583,703	869,462	619,833	452,700
Providence	1,363,950	4,429,200	—69.2	4,096,500	3,418,300	3,806,015	3,228,100	5,485,441	2,870,780
Total New England: 59 cities	73,525,848	123,192,932	—41.3	107,847,524	89,644,630	71,706,122	86,816,246	64,457,383	50,685,402
Middle Atlantic States—									
New York—Albany	1,122,951	2,424,009	—53.7	3,494,694	2,104,179	3,211,807	3,983,538	3,315,204	3,131,885
Auburn	853,053	846,653	+ 0.8	416,292	229,578	1,832,309	281,315	214,067	175,895
Binghamton	789,841	1,144,355	—31.0	1,513,442	2,153,379	1,641,560	1,835,921	1,806,460	1,162,624
Buffalo	3,752,138	6,636,332	—43.5	4,510,682	11,143,630	7,101,171	5,435,036	2,880,198	2,961,753
Elmira	433,354	310,621	+39.5	591,293	734,641	798,171	326,693	305,258	305,665
Jamestown	379,085	556,381	—31.9	466,330	438,392	244,627	282,153	817,689	391,162
Kingston	347,967	487,530	—28.6	475,370	465,499	354,390	885,878	417,708	289,800
Middletown	44,704	345,014	—87.0	318,657	372,264	270,043	206,253	280,587	164,086
Mount Vernon	2,785	726,073	—99.6	959,176	897,947	1,471,039	825,281	2,321,732	1,261,830
Newburgh	43,335	449,392	—90.4	289,927	200,588	270,400	524,515	1,295,839	277,450
New Rochelle	306,807	1,072,283	—71.4	1,433,598	1,252,768	1,819,116	2,913,482	1,780,331	618,496
Niagara Falls	2,724,324	4,192,666	—35.0	2,253,239	1,624,436	1,437,876	2,917,708	3,375,112	971,984
Poughkeepsie	347,982	821,097	—57.6	348,902	261,720	286,341	264,755	245,800	200,403
Rochester	4,497,723	6,380,748	—19.5	5,070,019	5,026,538	3,827,246	5,153,171	6,241,279	2,714,201
Schenectady	1,802,294	3,651,123	—50.6	1,888,770	1,104,195	1,675,242	1,606,881	1,327,080	811,297
Syracuse	2,286,801	2,989,622	—23.5	1,796,994	3,283,595	1,679,821	2,660,620	3,136,814	1,868,802
Troy	459,064	921,073	—50.2	1,292,591	757,304	655,080	1,235,295	731,171	1,270,326
Utica	457,130	741,165	—38.3	771,885	1,091,396	523,650	1,132,871	515,733	325,010
Watertown	630,143	26,653	+2264.2	196,266	208,118	228,173	340,006	203,982	221,907
White Plains	108,026	1,599,488	—93.2	1,538,458	1,995,845	2,010,611	1,500,374	1,502,781	763,195
Yonkers	801,082	3,004,629	—73.3	2,705,666	5,331,564	9,739,924	4,976,247	3,933,083	2,367,997
N. J.—Atlantic City	253,612	754,155	—66.4	1,902,522	1,117,510	1,064,665	981,455	745,117	555,131
Bayonne	1,748,136	12,814,055	—94.2	443,990	834,451	522,908	674,562	493,226	445,332
Bloomfield	1,497,074	1,404,182	+ 6.6	1,310,466	722,286	917,454	1,119,251	810,518	665,550
Caldwell	50,851	*166,770	—69.5	161,845	169,054	60,915	64,414	173,254	45,063
Camden	6,352,179	5,434,487	+16.9	3,984,357	1,735,205	798,100	2,023,789	851,346	1,647,820
Clifton	1,896,538	3,005,226	—36.9	2,138,442	1,515,804	683,774	1,030,101	560,440	314,478
East Orange	298,468	390,829	—23.6	1,484,545	815,151	1,012,752	1,533,603	2,087,208	698,602
Elizabeth	684,392	1,684,747	—59.4	2,956,430	3,338,409	1,170,759	240,223	907,912	612,100
Hackensack	368,354	1,328,672	—72.3	857,307	372,492	644,884	673,848	733,262	343,466
Hoboken	508,017	856,784	—40.7	443,526	914,498	1,017,750	302,348	471,660	317,824
Irvington	554,044	1,075,438	—48.5	567,308	435,656	520,815	982,701	387,445	446,033
Jersey City	1,051,592	2,621,741	—59.9	2,342,557	5,637,071	1,461,569	2,072,033	2,365,308	3,883,828
Kearney	1,117,828	1,328,686	—15.9	1,961,700	*1,564,570	*1,100,000	1,555,510	565,095	407,330
Montclair	186,385	579,542	—67.8	1,616,730	910,553	508,853	1,538,398	1,104,587	756,289
Newark	3,139,287	10,748,661	—70.8	4,657,632	7,385,505	4,067,250	5,235,830	7,569,905	5,811,063
New Brunswick	596,577	1,122,205	—46.8	1,023,925	785,875	534,276	449,081	372,369	820,539
Orange	651,901	546,822	+19.2	579,046	1,175,185	335,330	656,200	460,603	211,239
Passaic	1,569,696	913,642	+71.8	1,633,826	740,364	480,635	615,019	928,985	477,323
Paterson	2,083,446	2,044,571	+ 1.9	2,010,739	1,648,599	1,789,610	1,262,311	1,856,238	930,966
Plainfield	438,137	879,052	—50.2	686,211	476,178	1,251,328	836,320	746,025	491,385
South Orange	134,615	555,256	—75.8	*900,000	904,109	366,283	1,025,973	952,414	625,006
Trenton	704,934	1,403,428	—49.8	1,272,166	2,116,622	790,463	1,055,169	865,433	569,028
West Orange	331,596	1,085,961	—69.5	990,131	696,613	893,724	597,215	933,524	568,440
Pa.—Allentown	938,890	1,806,676	—48.0	1,317,087	2,354,920	1,210,933	1,375,360	796,730	720,215
Altoona	324,743	588,188	—44.8	396,108	382,069	133,610	621,072	288,189	238,135
Bethlehem	1,841,819	4,144,845	—55.6	24,491,445	1,277,425	632,043	1,349,594	574,550	303,430
Bradford	167,528	470,367	—64.4	470,575	1,277,245	451,041	503,627	404,880	266,219
Chester	18,406,985	18,137,987	+ 1.5	4,557,071	1,418,830	1,425,323	435,472	380,060	138,070
Easton	175,634	284,515	—38.3	180,309	320,727	333,369	210,830	369,103	175,048
Erie	4,719,318	4,121,146	+14.5	1,465,619	1,373,059	1,418,614	1,040,786	745,176	639,610
Harrisburg	2,756,562	3,265,028	—15.6	1,974,270	1,849,020	1,365,730	2,497,620	1,175,680	766,286
Hazelton	61,447	355,019	—82.7	603,872	435,378	915,211	298,375	*500,000	*400,000
Lancaster	363,592	1,034,872	—64.9	849,279	694,895	635,600	1,184,700	2,212,177	695,396
Philadelphia	23,707,080	34,375,910	—31.0	30,471,690	32,612,870	17,496,200	30,881,720	20,907,010	9,255,150
Pittsburgh	7,697,615	8,397,958	— 8.3	15,156,577	10,532,253	10,662,717	8,588,244	7,483,695	5,807,900
Pottsville	35,430	134,530	—73.7	253,715	101,050	124,158	164,667	761,065	160,935
Reading	644,631	1,555,703	—58.5	1,914,934	2,225,349	1,362,564	1,074,802	1,552,067	373,930
Scranton	325,012	1,648,814	—80.3	1,020,600	790,218	1,805,162	778,008	1,580,320	579,941
Wilkes Barre	424,674	784,152	—45.8	582,104	659,991	939,750	1,034,964	1,348,979	765,970
Wilkensburg	136,325	804,947	—83.1	848,526	1,263,348	802,205	353,034	245,330	145,033
Williamsport	313,834	1,517,256	—79.3	808,659	614,770	662,152	702,863	729,961	302,840
York	1,110,090	1,542,524	—28.0	1,486,300	775,655	644,157	1,054,435	719,403	415,485

	1942 $	1941 $	Inc. or Dec. %	1940 $	1939 $	1938 $	1937 $	1936 $	1935 $
Del.—Wilmington	2,677,488	3,639,607	—26.4	6,698,334	5,470,655	2,466,828	4,494,122	4,348,246	2,545,737
Md.—Baltimore	52,153,403	48,223,205	+ 8.1	25,960,357	14,188,250	14,640,038	15,162,010	17,683,944	9,947,460
Cumberland	147,285	1,002,345	—85.3	690,744	811,792	333,714	508,040	497,488	1,057,349
Frederick	1,715	479,765	—99.6	650,439	829,996	352,997	367,406	329,480	105,202
D. C.—Washington	30,832,350	49,905,710	—38.2	42,717,450	70,819,793	48,433,310	31,168,515	31,553,390	22,968,678
W. Va.—Charleston	682,835	2,664,808	—74.4	2,222,432	5,921,828	3,172,435	2,907,275	2,224,125	1,388,196
Clarksburg	98,836	559,013	—82.3	822,878	819,058	381,965	533,616	707,424	413,748
Huntington	879,614	1,622,389	—45.8	1,682,122	3,390,160	1,362,664	1,280,706	1,500,210	367,895
Wheeling	870,733	2,275,656	—61.7	2,423,833	949,910	937,913	1,854,757	1,166,616	591,473
Total Middle Atlantic: 72 cities	200,605,248	287,414,754	—30.2	240,974,981	240,849,850	178,175,097	178,239,967	166,375,080	105,434,934
Middle Western States—									
Ohio—Akron	13,114,571	12,420,635	+ 5.6	5,250,633	3,390,940	1,689,958	3,497,837	2,503,800	1,410,482
Alliance	150,842	*133,397	+13.1	385,037	144,617	*100,000	137,585	89,920	32,680
Ashtabula	164,938	263,021	—37.2	377,445	194,144	146,480	249,482	154,585	86,142
Barberton	373,431	797,059	—53.1	1,071,542	542,131	176,390	398,763	177,817	71,311
Canton	74,710	4,460,589	—98.3	2,856,098	1,734,673	1,831,586	1,424,042	941,603	473,614
Cincinnati	8,207,820	25,198,760	—67.4	21,797,975	15,201,430	14,865,515	18,203,110	18,488,020	12,309,225
Cleveland	24,471,600	26,086,000	— 6.2	21,874,000	18,305,000	7,203,500	11,125,000	8,876,500	3,883,000
Columbus	8,473,180	14,116,665	—40.0	12,250,721	9,929,620	6,020,375	6,637,400	5,567,075	2,645,200
Dayton	4,911,847	8,481,224	—42.1	6,207,944	3,493,129	2,157,254	4,327,120	2,669,412	1,079,829
East Cleveland	79,492	2,202,379	—96.4	882,844	95,237	132,803	209,434	179,123	113,873
Hamilton	2,345,380	1,657,632	—58.5	986,881	640,766	611,397	778,476	466,394	256,722
Lakewood	334,944	718,710	—53.4	862,130	697,807	1,178,816	621,765	752,709	432,292
Mansfield	583,456	2,034,148	—71.3	1,799,337	2,198,076	1,115,497	1,117,179	1,843,001	445,596
Newark	132,690	506,340	—73.8	640,585	641,215	261,729	384,425	282,640	71,550
Norwood	584,591	*606,468	— 3.6	630,281	302,933	583,484	739,870	391,061	249,139
Sandusky	401,181	637,337	—37.1	329,366	268,928	194,793	217,620	117,010	60,808
Springfield	1,185,371	1,945,520	—39.1	1,746,569	1,248,960	1,375,477	959,082	837,128	547,275
Toledo	2,955,420	6,942,831	—57.4	4,990,976	5,349,553	2,306,725	4,373,329	4,566,078	1,757,620
Youngstown	874,183	3,380,077	—74.1	2,801,498	5,313,685	1,324,900	1,929,438	1,545,250	760,688
Zanesville	85,985	384,995	—77.7	539,584	320,376	323,606	187,184	189,695	122,158
Ind.—Elkhart	271,888	750,275	—63.8	645,580	370,398	324,206	826,452	369,141	123,568
Fort Wayne	6,421,469	4,266,388	+50.5	3,676,251	2,791,279	2,681,273	2,577,288	1,764,862	1,166,576
Gary	5,463,587	4,609,135	+18.5	5,224,420	2,539,828	1,000,413	1,629,625	939,462	622,952
Hammond	3,966,600	4,159,600	— 4.6	4,712,735	2,956,950	2,445,220	3,261,083	3,267,283	1,406,185
Indianapolis	9,230,339	15,594,101	—40.8	13,913,962	13,625,895	10,824,925	9,088,076	7,417,546	4,618,111
Kokomo	199,824	515,243	—61.2	443,867	1,114,187	470,025	854,859	989,891	147,633
Michigan City	291,111	481,093	—39.5	325,113	307,645	206,252	193,662	288,573	237,645
Richmond	238,749	649,316	—63.2	660,052	568,093	484,706	509,083	376,154	142,139
South Bend	8,616	242,234	—96.4	2,867,693	2,199,442	1,050,214	1,403,305	1,048,669	563,740
Terre Haute	133,343	415,132	—67.9	495,339	1,440,854	331,666	519,279	918,941	384,366
Ill.—Aurora	620,130	1,128,037	—45.0	795,396	636,952	669,805	741,027	557,779	250,270
Bloomington	57,662	773,828	—92.5	846,587	819,237	346,184	379,684	300,615	579,122
Chicago	30,738,121	49,607,397	—38.0	39,828,116	42,280,687	21,258,299	28,806,443	18,989,322	12,936,409
Cicero	2,358,288	1,714,978	+37.5	889,323	429,433	481,725	748,820	324,475	198,240
Decatur	1,007,984	2,309,115	—56.4	1,530,455	792,646	1,576,691	792,646	872,839	588,102
East St. Louis	24,580	2,424,896	—99.0	1,046,284	940,099	527,970	933,838	392,083	869,123
Elgin	238,953	1,204,787	+98.3	1,172,117	535,485	553,464	1,223,095	499,401	217,945
Evanston	535,005	2,062,950	—74.1	7,156,950	2,650,400	2,703,050	3,128,050	2,108,200	947,750
Freeport	84,560	345,578	—75.5	337,822	218,816	217,749	336,777	276,252	229,090
Moline	1,147,582	2,505,610	—54.2	1,971,867	1,677,471	1,332,581	1,982,512	619,238	335,893
Oak Park	194,305	939,855	—79.3	789,535	783,510	715,475	988,625	1,491,575	626,200
Peoria	756,806	3,583,318	—78.9	6,308,015	2,416,012	2,428,355	2,372,736	4,215,842	1,791,342
Quincy	55,869	403,885	—86.2	296,700	199,095	203,607	181,776	224,820	95,065
Rockford	1,651,335	3,865,670	—57.3	2,128,425	2,793,675	1,189,180	1,326,440	1,191,295	374,065
Rock Island	2,408,596	2,073,018	+16.2	2,456,256	1,123,119	959,422	1,382,055	1,461,483	332,906
Springfield	2,355,329	2,483,296	— 5.2	3,525,524	1,558,758	1,946,468	1,624,587	2,890,557	456,453
Mich.—Ann Arbor	1,402,322	2,185,112	—35.8	2,342,487	3,959,472	3,740,824	1,578,924	3,513,785	677,438
Bay City	1,091,040	1,399,805	—22.1	1,198,390	1,189,234	848,499	1,399,703	889,960	403,553
Detroit	54,988,212	75,825,714	—27.5	81,138,733	61,664,099	51,430,371	52,909,940	43,169,099	21,222,391
Flint	4,278,965	6,548,263	—34.7	6,473,185	3,410,728	2,481,231	3,669,421	3,435,295	1,433,625
Grand Rapids	165,615	4,316,250	—96.2	3,259,265	3,019,680	1,701,290	2,500,755	1,783,160	625,045
Highland	4,015,751	1,303,224	+208.1	2,114,813	642,498	411,216	1,622,489	409,450	440,122
Jackson	178,197	512,205	—65.2	501,654	364,837	389,833	586,893	366,547	168,826
Kalamazoo	540,493	1,169,264	—53.8	1,479,934	1,950,676	2,051,393	697,901	1,390,000	882,072
Lansing	1,405,754	6,157,667	—77.2	1,841,748	1,763,535	1,459,592	3,853,860	2,087,036	1,040,185
Muskegon	1,075,094	1,385,488	—22.4	817,228	573,221	403,050	1,078,781	553,018	315,426
Pontiac	1,242,357	3,372,091	—63.2	2,239,542	923,058	734,017	1,632,031	1,494,059	771,711
Saginaw	2,374,146	2,930,701	—19.0	2,744,346	2,503,791	1,061,369	1,449,320	1,428,639	1,326,953
Wis.—Kenosha	2,563,063	1,910,260	+34.2	1,281,696	786,547	436,011	627,180	532,094	375,505
Madison	15,985	66,565	—76.0	2,000,831	*1,000,000	1,814,003	2,394,320	1,773,710	1,138,336
Manitowoc	423,117	986,089	—57.1	1,744,145	1,121,035	570,272	670,857	715,232	546,142
Milwaukee	10,454,170	14,876,927	—29.7	10,606,877	9,731,896	6,264,324	12,098,981	12,345,827	7,143,326
Oshkosh	441,749	870,969	—49.3	796,308	817,210	888,084	1,229,444	733,902	246,942
Sheboygan	486,858	1,318,165	—63.1	902,713	868,866	532,965	1,306,776	1,361,807	530,531
Shorewood	139,476	503,671	—72.3	468,530	404,510	373,294	475,376	1,059,460	348,616
Superior	950,732	1,580,941	—39.9	803,309	471,062	686,468	654,924	710,485	562,631
Total Middle Western: 66 cities	228,199,359	351,301,893	—35.0	317,181,564	254,955,141	178,807,316	217,707,840	184,187,684	97,249,470
Other Western States—									
Mo.—Joplin	454,135	547,300	—17.0	651,150	475,200	479,425	400,700	381,725	282,690
Kansas City	3,699,775	4,373,765	—15.4	3,679,800	2,811,419	3,446,010	3,476,050	4,050,500	4,467,100
St. Joseph	64,430	584,405	—88.7	338,510	1,279,567	282,350	195,215	332,677	315,510
St. Louis	8,215,980	17,067,857	—51.9	13,639,312	11,258,419	9,319,027	8,735,113	13,775,132	11,355,867
Sedalia	64,948	†		175,435	158,120	90,005	122,230	101,512	74,000
Minn.—Duluth	82,010	178,191	—54.0	2,477,146	1,933,983	1,465,471	2,201,791	1,222,810	981,858
Mankato	92,394	1,067,186	—13.4	613,970	565,047	825,608	462,535	449,583	150,023
Minneapolis	3,746,035	10,919,265	—65.7	10,224,485	15,646,185	7,761,710	7,529,855	7,195,795	4,690,790
St. Paul	1,186,587	9,705,178	—87.8	9,751,767	7,679,580	6,955,164	7,229,131	7,381,263	4,334,858
Winona	105,526	340,291	—69.0	384,833	374,363	995,213	198,320	206,530	171,147
Neb.—Lincoln	6,153	278,845	—97.8	2,591,196	2,905,092	1,419,227	1,599,467	1,056,446	931,349
Omaha	2,086,856	5,224,820	—60.0	5,469,765	5,370,549	1,940,445	3,859,513	2,842,602	1,634,375
Kan.—Atchison	32,350	110,337	—70.7	149,737	96,715	279,765	132,601	59,406	46,237
Kansas City	766,962	692,030	+10.8	968,435	3,692,514	1,844,063	3,476,050	3,893,500	4,354,537
Leavenworth	33,252	148,100	—77.5	298,075	241,920	143,500	168,500	184,800	*60,000
Topeka	369,093	1,178,511	—68.7	1,541,625	1,179,232	1,854,264	2,124,772	2,155,198	971,530
Wichita	7,626,267	6,239,658	+22.2	3,074,527	2,872,139	3,175,574	2,306,162	2,356,683	1,251,181
Iowa—Cedar Rapids	18,409	2,734,695	—99.3	2,574,664	1,807,125	1,678,953	1,286,422	1,089,822	986,135
Council Bluffs	267,947	628,724	—57.4	556,503	850,762	366,419	227,750	189,338	218,047
Davenport	1,862,990	2,326,129	—19.9	2,894,158	3,357,566	1,713,860	1,186,326	799,621	452,740
Des Moines	2,408,667	6,056,635	—60.1	5,263,319	5,732,998	2,782,681	2,687,977	*2,500,000	2,121,223
Dubuque	341,138	815,378	—58.2	728,297	1,083,908	656,468	463,651	198,457	176,089
Ottumwa	175,550	1,454,025	—87.9	1,988,600	1,220,150	672,350	874,950	818,900	500,450
Sioux City	459,875	1,586,377	—71.0	1,401,919	1,189,265	1,119,525	753,568	887,882	528,837
Waterloo	909,943	4,221,706	—78.4	3,968,849	2,932,597	2,971,420	2,760,264	1,126,572	940,146
Colo.—Boulder	126,609	309,276	—59.1	306,236	334,486	234,898	289,215	679,647	257,885
Colorado Springs	278,519	795,087	—65.0	902,745	1,146,386	507,027	626,856	579,514	373,444
Denver	6,476,872	15,088,811	—57.1	13,020,869	10,703,620	7,673,300	8,890,342	8,337,479	5,223,616
Pueblo	815,890	1,273,585	—35.9	1,042,127	820,569	527,692	647,845	233,899	298,894
So. Dak.—Aberdeen	85,947	257,046	—66.6	540,593	273,420	416,118	285,849	199,004	88,104
Sioux Falls	496,414	1,814,991	—72.5	1,524,185	1,109,396	1,131,099	1,178,049	1,160,361	1,041,727
No. Dak.—Fargo	124,535	910,486	—86.3	806,980	776,283	683,277	437,023	281,279	263,042
Grand Forks	72,732	604,967	—88.0	479,952	620,411	325,977	338,386	745,693	149,517
Minot	60,250	263,730	—77.2	344,250	275,570	169,980	185,468	209,000	98,970

(Continued on page 1398)

when plastics and other products doubtless will be available in abundance. To some degree the new products, born of wartime invention and emergency, unquestionably will enter into the architecture of the future. But a degree of caution is advisable when the more enthusiastic claims of radical alterations of design and construction are considered. In the field of automobile construction similar statements are common, but a leader of that industry recently put a damper upon the dreamers by a flat assertion that the first post-par automobile will be the 1942 model planned before the war.

Our tabulations of building permits show that modest improvement from the worst years of the depression continued right to the brink of our projection into the war. Our defense preparations and lend-lease aid to other countries did not halt the progress, despite the heavy trend toward use of available materials in construction of airplane plants, army cantonments, munitions factories and other martial construction. The attack at Pearl Harbor abruptly altered the situation.

The statistics which we now present, covering building permits in 354 cities, show a contemplated private expenditure for 1942 of $877,410,716, against $1,598,836,048 in 1941, a decline of 45.1%. Much of the 1942 planning was done, of course, before the general restrictive orders were issued by the War Production Board, and the balance was mainly construction by local public authorities. In the third quarter of 1942 private building construction came practically to a standstill. The building by public authorities in war-plant areas continued as a matter of necessity, and in some places was stimulated sharply.

Our record of building permits, which we now present, is carried back to 1906, and it shows at a glance the trends and statistical levels bearing upon this matter. The table shows building permits in New York City separate from the rest of the country, for building permits in the Metropolis are of great significance. Notwithstanding its importance and the vast labor supply available in New York City, Cinderella-like treatment has been meted out to that great center by the allocators of war contracts.

Accordingly, building permits in the five boroughs of New York City totalled only $48,462,520 in 1942, against $153,175,987 in 1941, a decline of 68.4%. The decline was extraordinary and drastic in all boroughs excepting Richmond, which gained slight stimulus because it is contiguous to some of the large war plants in New Jersey. The small total of New York City permits now recorded is even less than that of the poorest year of the depression of the 1930's. Indeed, in all the years back to 1906 the total for 1942 stands out as the smallest.

COMPARISONS OF YEARLY BUILDING PERMITS FOR NEW YORK DISTRICT FROM REST OF COUNTRY

Calendar Year	No. of Cities	New York	Percent of Whole	Outside Cities	Total All
1942	354	$48,462,520	5.1	$828,948,196	$877,410,716
1941	354	153,175,987	9.6	1,445,650,061	1,598,836,048
1940	354	222,166,474	13.90	1,375,803,161	1,597,969,635
1939	354	233,232,223	16.60	1,172,084,249	1,405,316,472
1938	354	326,631,135	26.87	888,968,417	1,215,599,552
1937	354	307,418,752	25.01	921,561,785	1,228,980,537
1936	354	211,225,454	20.18	835,662,347	1,046,887,801
1935	354	152,603,654	23.22	504,632,757	657,236,411
1934	354	80,576,288	20.17	318,917,727	399,494,015
1933	354	74,210,983	20.89	281,113,995	355,324,978
1932	354	77,902,719	18.53	342,623,677	420,526,396
1931	354	349,282,609	28.62	871,496,894	1,220,779,503
1930	354	407,067,669	22.91	1,369,555,384	1,776,623,053
1929	354	960,091,743	31.01	2,136,747,717	3,096,839,460
1928	354	937,647,139	26.78	2,563,093,311	3,500,730,450
1927	354	880,746,413	24.14	2,770,289,853	3,651,036,266
1926	354	1,060,051,394	25.73	3,061,913,459	4,121,964,853
1925	354	1,008,571,342	22.97	3,384,792,814	4,393,364,166
1924	354	846,505,817	22.88	2,855,629,518	3,702,135,335
1923	310	785,557,945	22.77	2,663,907,795	3,449,465,740
1922	308	638,569,809	22.74	2,169,314,914	2,807,884,753
1921	307	476,827,194	25.50	1,393,407,781	1,869,694,975
1920	306	290,828,942	17.79	1,343,549,455	1,634,378,397
1919	297	261,500,189	17.26	1,253,554,036	1,515,054,225
1918	287	56,500,495	11.14	450,859,008	507,359,503
1917	277	103,068,798	12.54	718,970,094	822,038,892
1916	273	221,293,974	19.56	910,278,381	1,131,572,355
1915	284	172,945,720	18.56	758,991,580	931,937,300
1914	284	138,115,266	15.49	753,730,258	891,845,524
1913	273	162,942,285	16.61	818,029,278	980,971,563
1912	235	228,601,308	22.25	798,913,875	1,027,515,183
1911	235	200,325,288	20.81	762,174,380	962,499,668
1910	223	213,848,617	21.88	763,368,183	977,216,800
1909	209	273,108,030	26.94	740,677,942	1,013,785,972
1908	206	174,757,619	23.94	555,324,252	730,081,871
1907	200	197,618,715	24.63	604,671,736	802,290,451
1906	163	241,064,458	29.93	564,486,823	805,551,281

As on previous occasions, we note that there are two sets of records which commonly are used to measure the course of building work, namely, (1) the statistics regarding engineering and construction work, and (2) the statistics which deal with plans filed with the local departments and authorities. Our own compilations relate entirely to the latter, that is, to the plans filed with the local authorities.

The record of building permits which forms the basis of our tabulation does not include engineering projects. Nor do our figures, as a rule, include such public works construction as sewers, subways and highway work in the nature of bridges, grade crossing elimination and the like. This explains why records of contracts awarded, like those compiled by F. W. Dodge Corp. and the "Engineering News Record," invariably arrive at much larger totals than those presented by the building plans and permits which form the basis of our tabulation.

In the war-dominated economy of 1942 these differences were exaggerated prodigiously, since the great war plants, shipyards and similar projects come generally into the classification of engineering projects. With private building almost halted entirely in the course of last year, compilations of engineering projects and of the vast public undertakings for war purposes far overshadowed ordinary activities. When conditions again become more nearly normal, however, important aspects of our own tabulations also will resume their usual significance. These are, briefly, of a nature to foreshadow trends in building long before other statistics.

In the case of the figures presented by F. W. Dodge Corp., the engineering and construction awards for the 37 States east of the Rocky Mountains totaled $8,255,061,000 for 1942, against $6,007,474,000 for 1941. Almost all of this vast total may be regarded, of course, as a reflection of the feverish war activities. Contracts were awarded in the first half of 1942 on the most prodigal scale and entirely without regard to financial or other considerations, the sole pertinent factor being the requirements of war production. The tide turned in the course of the year from construction of war plants to actual production in the new plants, which makes it more than possible that 1942 will represent the high point in engineering and construction awards for some time to come.

The rapidity of the upswing in engineering and construction awards is illustrated by a reference to the years immediately before our entry into the global war. In 1940 such statistics were $4,003,957,000, in 1939 they totaled $3,550,543,000 and in 1938 the amount was $3,196,928,000. At the low point of the depression in 1933, the awards were no more than $1,255,708,400.

Residential construction last year declined to $1,817,733,000 from the 1941 figure of $1,953,801,000, according to the Dodge figures. Non-residential building in 1942, activated sharply by the war requirements, showed a sharp increase to $3,896,725,000 from the 1941 level of $2,315,671,000. Public works and similar projects

(Continued on page 1398)

Building Construction Activities In The First Full Year Of War

(Continued from page 1397)

moved up in 1942 to $1,312,527,000 from $1,109,253,000 in 1941. Public utility construction also made a distinct gain to $1,238,076,000 from $628,749,000. Monthly totals of these awards indicate a sharp upward trend to a peak in June, after which a recession set in.

MONTHLY RECORD OF CONSTRUCTION CONTRACTS AWARDED AS COMPILED BY THE F. W. DODGE CORPORATION

(37 States East of Rocky Mountains)

	1942 $	1941 $	1940 $	1939 $
January	316,846,000	305,205,000	196,191,000	251,673,000
February	433,557,000	270,373,000	200,574,000	220,197,000
March	610,799,000	479,903,000	272,178,000	300,661,000
April	498,742,000	406,675,000	300,504,000	330,030,000
May	673,517,000	548,700,000	328,914,000	308,487,000
June	1,190,264,000	539,106,000	324,726,000	288,316,000
July	943,796,000	577,392,000	398,673,000	299,883,000
August	721,028,000	760,233,000	414,941,000	312,328,000
September	723,216,000	623,292,000	347,651,000	323,227,000
October	780,396,000	606,349,000	383,069,000	261,796,000
November	654,184,000	458,620,000	380,347,000	299,847,000
December	708,716,000	431,626,000	456,189,000	354,098,000
Total constr'n.	8,255,061,000	6,007,474,000	4,003,957,000	3,550,543,000
Non-resid. bldg.	3,896,725,000	2,315,671,000	1,294,640,000	965,638,000
*Resident'l. bldg.	1,817,733,000	1,953,801,000	1,596,944,000	1,334,272,000
Total bldgs.	5,714,458,000	4,269,472,000	2,891,584,000	2,299,910,000
Public works	1,302,527,000	1,109,253,000	831,304,000	961,682,000
Public utilities	1,238,076,000	628,749,000	281,069,000	288,633,000
Total constr'n.	8,255,061,000	6,007,474,000	4,003,957,000	3,550,543,000

*Includes projects without general contractors, sub-contracts being let directly by owners or architects.

Building statistics compiled by the "Engineering News Record" for recent years likewise reflect the extraordinary increase of war construction. The "News Record" tabulations cover the entire country, while Dodge figures take in only the 37 States east of the Rockies, and some differences naturally result. On the other hand, the Dodge calculations include virtually all contracts, even with values as small as $700 or $800, while the "News Record" includes only contracts with a minimum value of $15,000 in the case of waterworks, excavation, drainage and similar projects, $25,000 for other public works, $40,000 for industrial buildings and $150,000 for other buildings. The "News Record" classifies the construction contracts according to types of buildings and construction, and in the following table we carry the figures back to 1929.

YEARLY ENGINEERING CONSTRUCTION CONTRACTS IN UNITED STATES REPORTED BY "ENGINEERING NEWS RECORD"

Minimum contracts reported: Waterworks, excavation, drainage and irrigation, $15,000; other public works, $25,000; industial buildings, $40,000; other buildings, $150,000.

(Thousands of dollars—000 omitted)

	1942 $	1941 $	1940 $	1939 $	1938 $	1937 $	1936 $	1935 $	1934 $	1933 $	1932 $	1931 $	1930 $	1929 $
Water works	150,965	76,698	69,704	162,921	131,209	104,449	92,478	80,677	92,495	67,263	34,586	56,413	48,558	48,617
Sewers	118,437	88,719	91,467	159,222	136,075	95,294	121,056	99,935	61,068	22,175	24,613	72,814	82,189	87,674
Bridges	50,158	111,623	120,151	150,631	134,633	133,089	187,816	97,933	96,844	97,831	83,832	136,888	129,573	135,588
Earth works	251,328	245,221	234,285	237,590	268,306	110,353	181,685	258,740	266,431	136,575	101,251	20,638	34,376	31,570
Streets and roads	530,504	582,847	678,172	643,771	637,862	414,537	483,475	325,263	345,066	288,258	379,937	528,512	576,993	539,352
Buildings—														
Industrial	200,319	496,176	594,064	282,980	152,098	477,298	309,477	172,467	105,192	152,376	93,064	165,750	331,171	547,313
Commercial	291,703	485,683	400,171	387,779	549,746	459,969	274,784	108,817	80,885	106,399	166,296	560,650	1,033,672	1,670,285
Public	5,678,103	2,785,585	1,196,257	592,506	503,000	333,398	435,926	297,858	204,185	121,161	240,627	248,766	297,719	305,702
Unclassified	2,034,312	996,142	602,972	389,856	279,002	309,236	300,148	148,461	106,630	76,331	95,103	382,785	522,563	480,313
*Federal Gov't. works	8,241,088	3,500,488	1,451,726	353,310	367,784	205,588	319,538	362,265	360,166	217,180	270,866	280,960	116,445	103,901
Total	†9,305,829	5,868,699	3,987,243	3,002,856	2,791,931	2,437,623	2,386,845	1,590,151	1,360,596	1,068,369	1,219,309	2,454,176	3,173,259	3,950,315
Private construction	555,823	1,178,082	1,162,254	890,707	800,756	1,115,866	766,007	371,139	241,263	329,230	320,724	1,036,004	1,784,037	2,603,822
Public construction	8,750,006	4,690,617	2,824,989	2,112,149	1,991,175	1,321,757	1,620,838	1,219,012	1,119,333	739,139	898,585	1,418,172	1,389,222	1,346,493
Total	†9,305,829	5,868,699	3,987,243	3,002,856	2,731,931	2,437,623	2,386,845	1,590,151	1,360,596	1,068,369	1,219,309	2,454,176	3,173,259	3,950,315

*The amount credited to "Federal Government works" is included in the several other items, according to type of construction, in the years 1932-1940, inclusive, and is therefore not again added into the total; prior to 1932 this amount was not included in the other items and consequently has been added into the total.

†Highest in history.

The tabulations of the "Engineering News Record" show that public construction advanced in 1942 to the tremendous total of $8,750,006,000 from the 1941 level of $4,690,617,000, which in itself was extraordinary. In 1929 such public construction was only $1,346,493,000. Private construction last year, as recorded in this tabulation, amounted to $555,823,000, against $1,178,082,000 in 1941. Harking back again to 1929, such construction then totaled $2,603,822,000. Federal Government works last year aggregated $8,241,088,000, against $3,500,488,000 in 1941, while in 1929 this figure was $103,901,000.

Also interesting in the "News Record" tabulation is a comparison of commercial and public buildings. Public building contracts soared last year to $5,678,103,000 from $2,785,585,000 in 1941, but commercial buildings dropped to $291,703,000 from $485,683,000. Industrial buildings followed the same course displayed by other private activities and dropped to $200,319,000 in 1942 from $496,176,000 in 1941. Diverse trends were indicated for waterworks construction, sewers, bridges, earthworks, streets and roads.

There is room for a difference of opinion as to whether figures representing the value of contracts awarded or statistics of building permits may be taken as best representing the course of building work, in

UNITED STATES BUILDING OPERATIONS—(Continued)

	1942 $	1941 $	Inc. or Dec. %	1940 $	1939 $	1938 $	1937 $	1936 $	1935 $
Utah—Logan	†	241,337		352,003	397,391	575,739	462,177	424,615	357,886
Ogden	6,013,983	2,139,275	—18.9	1,788,837	1,554,108	1,402,979	793,151	1,236,904	659,178
Salt Lake City	3,345,735	5,614,001	—40.4	5,761,458	5,228,795	3,974,615	3,911,362	3,373,630	1,893,768
Montana—Billings	63,455	1,670,395	—96.2	1,121,867	839,996	764,550	882,140	691,795	648,232
Butte	51,272	899,667	—94.7	1,124,008	311,261	344,045	429,981	709,230	67,678
Great Falls	103,849	959,684	—89.2	1,625,210	989,958	497,020	690,865	422,420	354,490
Idaho—Boise	207,802	3,674,810	—94.3	1,687,570	1,694,054	1,188,389	1,883,848	2,067,095	1,068,960
Wyoming—Cheyenne	31,550	71,720	—56.0	1,317,684	1,000,032	1,139,673	1,262,896	904,120	902,617
Sheridan	57,475	219,725	—73.8	272,469	125,360	555,000	135,000	153,256	94,820
Arizona—Phoenix	1,166,013	2,679,515	—43.5	3,801,075	3,935,539	2,759,361	2,054,350	1,531,661	1,140,146
Tucson	1,362,618	1,714,357	—20.5	1,352,504	1,283,563	1,598,624	1,825,718	2,080,892	1,297,474
Total Other Western: 45 cities	56,018,792	119,681,873	—53.2	114,578,699	110,134,613	80,707,860	81,669,434	81,278,248	58,277,167
Pacific States—									
Calif.—Alameda	2,448,145	1,572,195	+55.7	5,646,024	5,179,594	1,431,590	677,464	972,815	397,263
Alhambra	657,300	2,295,063	—71.4	3,009,323	2,588,214	2,766,318	2,461,037	1,946,044	983,835
Bakersfield	2,165	46,036	—95.3	1,806,533	1,844,392	2,052,592	1,753,205	1,806,380	844,017
Berkeley	1,820,807	2,847,998	—36.1	3,337,642	3,011,793	3,470,218	2,330,195	2,689,461	1,354,384
Beverly Hills	386,540	2,993,794	—87.1	3,360,623	3,342,758	3,147,120	4,868,680	4,331,510	3,013,921
Burlingame	421,850	1,431,770	—70.5	938,593	1,064,285	1,064,008	825,242	1,001,319	390,864
Colton	102,765	290,683	—64.6	208,424	297,319	494,626	352,292	174,570	258,033
Compton	2,863,245	2,085,467	+37.3	1,787,067	1,144,529	1,011,312	752,711	455,853	753,155
Emeryville	487,765	*606,468	—19.6	337,976	240,574	210,986	936,300	298,381	273,940
Eureka	137,100	851,280	—83.9	513,077	694,950	554,389	367,348	418,509	203,691
Fresno	655,322	3,770,089	—82.6	3,738,171	3,581,658	2,584,916	3,038,156	2,160,026	2,056,967
Fullerton	153,079	647,193	—76.3	637,659	465,008	282,480	407,313	752,705	214,493
Glendale	1,655,002	5,009,054	—67.0	6,007,500	5,074,611	4,915,344	5,129,880	5,181,868	2,004,599
Huntington Park	700,194	1,226,544	—42.9	1,337,542	1,102,242	1,014,499	1,309,389	1,354,573	771,094
Long Beach	414,535	541,730	—23.5	13,316,465	12,186,040	11,508,480	8,278,505	8,147,680	6,864,188
Los Angeles	60,219,846	87,238,818	—31.0	74,300,510	74,790,441	67,826,669	63,170,944	62,653,541	31,672,983
National City	†	†		658,561	549,121	618,067	404,517	274,039	89,495
Oakland	6,178,509	15,816,681	—39.1	16,603,807	11,082,933	9,114,534	8,396,095	8,688,815	9,685,368
Ontario	129,905	697,938	—91.4	831,193	555,840	1,049,610	635,656	638,849	425,583
Orange	82,246	164,689	+49.9	177,687	171,910	239,845	190,050	232,378	83,218
Pasadena	1,385,354	4,283,170	—32.3	4,032,313	3,371,990	3,583,173	4,281,376	3,511,726	2,250,650
Piedmont	760	39,920	—98.1	577,752	382,057	353,449	733,885	1,028,279	555,124
Pomona	319,779	920,035	—34.8	1,205,575	1,154,977	1,245,055	890,154	842,859	392,934
Redwood City	1,028,209	1,216,363	—15.5	1,604,416	1,135,108	1,137,268	757,001	552,956	248,800
Richmond	5,612,140	6,910,967	—18.8	2,253,407	1,159,072	760,580	812,527	453,066	270,684
Riverside	529,153	1,637,655	—67.7	1,333,818	1,631,700	1,260,914	1,294,183	969,777	831,776
Sacramento	174,645	388,883	—44.9	8,832,448	7,030,644	1,224,904	4,943,771	1,643,716	1,984,927
San Bernadino	1,461,016	2,319,290	—37.0	2,045,351	2,617,026	2,526,646	2,104,847	2,045,793	759,501
San Diego	9,890,582	51,070,588	—80.6	14,236,635	8,241,862	11,009,114	8,223,350	9,002,137	4,951,991
San Francisco	9,744,566	37,256,229	—73.8	32,042,968	24,950,593	23,232,331	20,245,440	19,927,148	12,517,412
San Gabriel	1,983	72,760	—97.3	2,575,814	1,845,143	1,551,475	802,169	678,658	349,454
San Jose	898,515	3,708,125	—75.8	3,138,380	3,045,725	2,938,239	2,352,360	1,993,855	1,328,360
San Mateo	18,555	3,760,940	—99.5	3,366,935	2,512,304	2,267,351	1,886,329	1,670,493	592,944
San Rafael	487,434	629,885	—22.6	623,470	554,746	389,265	386,175	561,711	145,229
Santa Monica	25,154	169,983	—85.2	4,423,518	3,695,955	3,425,810	3,615,136	2,464,590	1,311,769
South Gate	2,519,184	5,833,951	—56.8	5,166,541	3,260,954	1,327,445	1,033,309	1,054,031	372,032
Stockton	1,007,653	2,742,564	—63.3	1,833,380	1,469,411	1,677,653	1,828,133	1,609,580	1,059,704
Torrance	7,607,764	804,397	+845.9	421,417	591,553	3,143,873	1,066,057	453,978	204,895
Venice	5,414,658	6,158,294	—11.6	3,858,124	3,003,808	1,000,307	951,528	*500,000	452,218
Ore.—Astoria	6,225	7,710	—19.3	320,249	296,961	300,702	211,463	153,476	134,250
Klamath	152,780	669,104	—77.2	933,727	584,985	410,280	581,525	200,927	104,658
Portland	1,292,040	470,585	+174.6	10,348,880	9,520,045	6,743,075	8,671,285	6,775,650	3,385,200
Salem	8,150	†		1,637,854	955,712	1,699,171	1,156,227	1,893,246	348,359
Wash.—Aberdeen	112,027	294,255	—61.9	373,171	148,433	170,133	247,664	131,626	88,597
Hoquiam	40,330	153,939	—73.8	113,547	65,390	85,087	101,005	203,142	45,190
Seattle	19,062,040	28,398,160	—32.9	19,488,770	11,615,600	9,152,898	6,538,505	6,281,800	3,575,360
Spokane	85,042	182,278	—53.3	5,102,938	3,798,814	3,304,489	2,895,522	3,945,765	1,564,284
Tacoma	2,756	7,369,375	—100.0	3,621,698	2,388,004	1,785,441	1,669,571	1,444,643	817,554
Vancouver	1,333,876	1,379,380	— 3.3	1,137,993	567,460	446,627	382,786	515,048	286,155
Walla Walla	2,679,860	1,459,056	+83.7	887,987	633,972	506,745	588,120	496,098	395,934
Yakima	313,728	1,202,522	—73.9	941,852	1,073,511	762,723	932,596	880,595	619,254
Total Pacific: 51 cities	152,732,278	302,398,730	—49.8	277,035,305	232,271,727	204,779,826	188,468,978	178,065,685	104,286,290
Southern States—									
Va.—Lynchburg	413,343	1,138,381	+36.3	1,327,885	1,318,525	1,037,782	1,101,033	837,340	560,923
Newport News	1,701,824	4,384,385	—61.2	3,689,058	447,254	567,243	570,857	819,946	866,796
Norfolk	7,832,376	5,465,190	+43.3	23,275,018	5,890,747	4,581,111	2,550,163	1,784,859	2,311,979
Petersburg	138,370	270,652	—48.9	228,544	284,732	352,248	170,743	171,389	32,737
Richmond	3,153,564	6,382,460	—50.6	5,267,908	7,222,627	4,524,045	4,175,888	3,558,468	1,730,720
Roanoke	7,683	1,396,918	—99.5	1,390,056	1,167,675	1,105,377	2,208,743	1,706,732	685,594
N. C.—Asheville	133,980	762,500	—82.4	631,178	998,057	754,319	691,030	513,966	302,813
Charlotte	1,177,520	4,839,966	—75.7	4,286,627	5,714,689	2,907,597	3,513,771	2,741,370	1,488,370
Durham	1,461,193	2,613,340	—44.1	1,615,023	2,467,090	2,954,874	2,297,241	1,885,226	1,129,655
Greensboro	634,544	1,903,439	—66.7	2,674,816	2,068,536	1,866,048	2,121,214	1,843,515	1,074,276
Raleigh	613,611	2,478,388	—75.2	1,502,651	3,017,020	3,846,382	1,678,880	749,587	908,979
Wilmington	1,121,863	832,476	+13.5	9,346,198	1,331,000	294,186	363,269	*200,000	*100,000
Winston-Salem	894,593	2,474,012	—63.8	2,628,421	2,261,676	2,394,364	2,117,255	1,498,992	1,072,016
S. C.—Charleston	1,813,165	2,919,465	—37.9	2,221,732	2,828,878	2,148,381	1,151,103	1,121,009	570,767
Columbia	1,354,458	2,214,133	—38.8	2,826,973	4,310,749	1,714,135	1,570,102	2,170,480	1,368,218
Greenville	745,198	983,487	—24.3	889,662	726,093	1,019,953	1,196,649	1,803,542	721,809
Ga.—Atlanta	2,201,637	6,747,866	—67.4	9,089,293	11,209,715	3,796,202	4,621,909	4,422,223	2,557,881
Augusta	853,748	829,693	+ 2.9	1,576,282	1,962,324	704,622	844,740	752,858	365,339
Macon	265,037	1,417,569	—81.3	913,878	714,789	500,556	*900,000	927,318	383,156
Savannah	1,384,179	1,993,515	—30.6	2,145,129	2,999,291	1,991,675	1,087,362	1,551,097	366,853
Fla.—Jacksonville	3,931,365	12,066,234	—67.4	10,452,153	7,428,059	9,990,135	5,400,267	5,227,325	3,373,645
Miami	2,655,887	13,622,226	—80.5	15,214,518	16,825,532	12,009,757	14,003,604	12,614,824	9,486,787
Orlando	755,080	2,700,791	—72.0	2,908,370	2,803,563	1,725,475	1,569,425	1,268,911	932,579
Pensacola	301,084	1,608,605	—81.3	2,706,056	1,700,000	*800,000	847,600	842,700	532,320
St. Petersburg	612,558	4,539,548	—86.5	5,864,147	4,731,200	3,017,376	3,075,476	2,000,960	1,521,354
Tampa	1,952,729	3,704,340	—47.3	3,523,498	2,272,620	1,282,734	2,066,958	1,231,782	989,197
Ala.—Birmingham	3,204,253	5,963,420	—46.3	7,728,809	8,467,912	2,964,056	3,397,485	1,898,557	2,350,140
Mobile	45,904	5,015,696	—99.1	2,475,028	4,485,190	1,208,590	1,067,445	791,553	503,944
Montgomery	704,750	2,014,285	—65.0	2,411,894	1,628,132	2,128,295	1,345,389	1,551,394	1,415,150
Miss.—Jackson	719,314	2,710,801	—73.5	3,460,392	2,783,328	1,860,154	1,973,177	1,254,372	744,779
Vicksburg	23,885	160,641	+14.9	177,696	714,307	169,382	196,541	726,403	98,809
La.—Alexandria	2,030,149	2,550,957	—20.4	1,276,957	774,461	1,209,771	468,283	700,987	211,315
Lake Charles	434,553	1,022,463	—57.5	882,114	794,763	897,308	909,957	603,327	334,076
New Orleans	5,405,706	20,624,724	—73.8	15,284,980	18,936,623	4,358,500	4,481,454	4,424,854	3,473,282
Shreveport	2,026,927	3,507,917	—42.2	3,785,792	5,819,444	4,787,137	2,850,503	2,518,071	1,286,465
Texas—Amarillo	954,757	2,885,818	—66.9	2,591,656	2,584,141	3,209,517	1,189,684	1,134,897	415,626
Beaumont	2,496,219	2,240,612	+11.4	1,540,020	1,714,243	1,263,567	1,444,667	1,999,729	563,609
Dallas	5,954,496	13,182,028	—54.8	12,424,671	9,196,809	8,744,048	7,742,810	10,987,285	4,328,102
El Paso	2,608,645	3,088,363	—15.5	3,057,079	2,573,043	1,754,404	1,579,414	940,613	1,085,525
Fort Worth	11,018,898	20,680,101	—46.7	4,848,932	7,121,498	5,751,444	6,666,972	8,541,782	3,370,878
Galveston	11,355	5,433,765	—99.8	2,086,568	1,437,482	3,822,060	4,000,137	1,564,932	1,229,826
Houston	11,292,009	19,228,867	—41.3	24,243,886	24,619,999	25,044,053	18,684,035	18,460,966	6,961,396
San Antonio	4,872,474	6,991,143	—30.3	13,687,218	8,124,153	4,676,681	4,553,778	4,594,381	4,074,051
Wichita Falls	641,143	3,129,231	—79.5	2,345,492	1,280,944	1,228,903	313,095	894,698	383,669
Ark.—El Dorado	133,375	188,813	—29.4	244,273	*90,000	*100,000	150,000	136,846	66,409
Fort Smith	2,017,061	1,672,517	+20.6	1,038,560	1,000,000	669,974	562,029	480,236	399,431
Little Rock	1,100,038	3,606,914	—69.5	2,313,146	1,830,461	1,216,147	1,465,686	575,756	575,757
Okla.—Guthrie	38,948	63,613	—38.8	126,678	116,762	243,911	134,540	165,151	227,414
Muskogee	754,881	306,000	+146.7	513,963	651,407	374,616	323,885	193,507	300,413
Okmulgee	3,140	30,802	—89.8	13,171	10,550	10,550	84,130	15,527	16,025
Oklahoma City	2,365,751	5,389,494	—56.1	8,088,925	6,736,532	5,577,487	5,773,085	8,175,951	3,285,940
Tulsa	3,502,487	5,728,904	—38.9	5,089,731	4,558,181	3,263,243	12,033,008	2,573,040	1,582,210

	1942 $	1941 $	Inc. or Dec. %	1940 $	1939 $	1938 $	1937 $	1936 $	1935 $
Tenn.—Chattanooga	1,242,827	6,365,881	—80.5	3,224,134	5,103,684	3,633,006	2,809,408	2,794,588	1,226,724
Knoxville	1,159,472	2,619,301	—55.6	2,250,768	4,689,838	1,908,478	2,442,292	2,749,303	1,880,741
Memphis	4,334,100	14,964,180	—71.1	10,097,959	9,898,543	6,295,280	7,225,820	10,921,355	3,223,914
Nashville	548,149	2,814,547	—80.5	5,384,033	3,487,639	2,975,375	4,344,154	7,565,320	3,594,192
Ky.—Covington	84,016	584,910	—85.6	410,303	245,655	359,398	777,478	293,060	155,618
Lexington	705,790	1,285,708	—45.1	1,539,930	769,896	1,040,931	925,382	775,520	426,892
Louisville	7,297,750	5,156,109	+41.5	5,145,254	7,030,227	3,848,351	4,514,249	5,948,581	3,419,359
Newport	16,860	161,755	—89.6	200,000	250,000	300,000	334,066	79,306	53,050
Total Southern: 60 cities	117,866,671	261,659,879	—55.0	268,185,088	244,228,288	174,792,196	168,659,320	161,298,267	88,699,494
Total: 354 cities	877,410,716	1,598,836,048	—45.1	1,597,969,635	1,405,316,472	215,599,552	1,228,980,537	1,046,887,801	657,236,411
Outside New York: 353 cities	828,948,196	1,445,650,061	—42.7	1,375,803,161	1,172,034,249	888,968,417	921,561,785	835,662,347	504,632,757
THE DOMINION OF CANADA									
Eastern Canada—									
Quebec—Montreal	11,676,576	12,547,282	— 6.9	11,427,632	9,253,506	10,205,422	8,208,294	6,905,323	7,455,436
Outremont	333,550	797,550	—58.2	273,300	792,100	925,400	833,400	586,700	775,550
Quebec	1,601,913	2,666,647	—39.9	1,762,971	2,493,572	1,945,961	549,718	816,835	2,141,695
Sherbrooke	535,850	1,438,035	—62.7	1,656,950	1,171,550	750,690	841,740	278,100	314,450
Three Rivers	289,740	810,980	—64.3	475,760	1,007,360	769,565	383,417	1,836,000	555,555
West Mount	331,599	160,233	+106.9	406,046	379,363	515,077	549,718	356,378	188,110
Ont.—Belleville	185,040	233,220	—20.7	145,440	251,396	119,340	150,395	85,065	145,602
Brantford	792,315	321,137	+146.7	166,757	233,875	273,563	270,703	161,602	272,648
Brockville	27,550	105,282	—73.8	117,735	93,551	139,000	44,100	967,769	175,000
Chatham	155,123	461,900	—66.4	470,108	487,535	471,365	186,740	100,000	109,181
Fort William	1,747,175	2,611,108	—33.1	931,576	524,305	495,880	495,880	207,500	152,450
Galt	278,396	356,945	—22.0	321,784	268,995	285,730	369,630	141,226	388,688
Guelph	128,576	259,947	—50.5	232,230	198,294	152,778	138,267	100,200	282,869
Hamilton	3,304,442	4,977,193	—33.6	5,562,493	2,265,265	2,325,908	1,694,189	1,466,906	1,887,622
Kingston	628,019	1,171,276	—46.4	946,889	415,153	392,733	360,629	253,398	213,928
Kitchener	537,802	1,072,680	—49.9	839,300	774,419	615,092	892,247	449,123	589,325
London	725,320	987,070	—26.5	1,037,290	1,895,870	708,140	949,790	672,745	1,835,110
Midland	25,555	38,745	—34.0	8,535	21,895	55,000	*25,000	7,300	*120,000
Niagara Falls	166,286	328,776	—49.4	267,048	159,695	309,849	239,822	127,767	82,862
North Bay	77,955	242,648	—67.9	138,275	200,000	296,780	84,000	58,700	26,875
Oshawa	297,005	1,057,454	—71.9	516,590	209,500	103,085	218,760	108,022	125,300
Ottawa	7,291,388	4,860,615	—50.0	3,789,675	2,050,656	5,137,509	2,307,770	1,781,855	4,096,240
Owen Sound	138,068	429,727	—67.9	105,377	122,760	176,916	56,848	173,410	49,452
Peterborough	309,712	1,053,511	—70.6	1,260,251	502,079	426,144	199,686	269,165	195,880
Port Arthur	704,710	2,668,448	—73.6	697,964	441,656	747,444	708,143	212,671	164,071
St. Catherines	711,833	1,589,347	—55.2	1,237,086	599,389	405,698	793,227	823,398	225,341
Sault Ste. Marie	486,668	1,151,255	—57.7	612,260	596,490	415,066	355,950	226,340	131,320
St. Thomas	76,855	374,953	—79.5	152,898	167,256	189,296	52,106	79,545	128,350
Sarnia	337,015	533,006	—36.8	372,770	231,221	173,752	192,830	123,229	137,052
Sudbury	499,210	689,730	—27.6	1,321,600	1,435,065	1,354,115	1,474,395	1,012,565	443,960
Toronto	7,672,500	9,171,360	—16.3	10,619,613	10,285,707	8,494,340	11,238,900	2,002,850	9,905,455
Welland	442,214	610,340	—27.5	423,945	198,854	146,663	231,429	107,465	74,609
Windsor	4,613,353	4,149,116	+11.2	2,015,114	928,402	970,948	3,524,699	703,970	675,149
York	2,077,080	2,655,995	—21.8	1,206,967	1,212,740	1,080,415	1,650,250	2,002,850	1,432,700
N. S.—Halifax	874,825	2,038,079	—57.1	1,401,652	1,129,481	1,431,142	1,488,326	1,113,998	1,545,824
Sidney	531,608	777,433	—31.6	707,997	378,955	396,084	354,564	179,396	54,418
N. B.—Moncton	558,292	3,660,054	—84.7	1,022,831	461,280	214,608	214,608	100,292	240,876
St. John	496,630	406,786	+22.1	292,122	502,811	233,534	261,000	211,244	200,669
Total East 38 cities	51,667,748	69,465,903	—25.6	54,944,831	44,342,001	43,850,302	42,591,170	26,810,902	37,539,622
Western Canada—									
Man.—Brandon	270,120	258,648	+ 4.4	360,446	83,695	50,085	57,310	113,235	111,235
East Kildonan	59,411	38,600	+53.9	15,000	15,300	14,220	45,000	12,400	26,350
St. Boniface	470,686	916,114	—48.6	1,050,785	439,003	1,036,280	333,949	97,279	110,540
Winnipeg	2,945,750	4,006,850	—26.5	3,329,100	2,584,050	1,985,900	2,152,100	1,407,450	2,723,400
Alta.—Calgary	3,361,122	2,677,385	+25.5	2,678,841	1,064,076	911,311	667,809	845,287	874,286
Edmonton	3,367,720	3,422,925	— 1.6	2,636,870	1,661,109	2,806,340	865,560	895,440	676,535
Lethbridge	350,255	463,670	—24.5	465,653	463,904	205,117	232,298	200,414	118,442
Red Deer	104,455	117,818	—11.3	147,540	303,679	75,620	61,416	56,910	31,607
Sask.—Moose Jaw	248,376	391,728	—36.6	94,384	77,354	46,041	191,088	57,818	56,165
Prince Albert	628,882	378,311	+66.2	269,857	196,237	242,255	95,428	173,262	121,836
Regina	755,349	1,149,791	—34.3	1,052,919	587,615	477,780	463,941	358,865	632,944
Saskatoon	199,255	720,985	—72.4	1,150,215	251,494	448,585	249,901	223,955	144,650
Swift Current	64,144	90,013	—28.7	54,103	52,216	22,568	28,830	27,836	9,330
Weyburn	15,715	3,090	+408.6	21,060	17,200	36,630	72,155	89,325	*33,000
Yorkton	82,738	206,090	—59.9	79,561	101,855	39,513	68,270	61,700	172,595
British Columbia—									
New Westminster	401,850	848,063	—52.6	862,206	1,177,705	696,182	541,715	369,215	210,490
Vancouver	5,996,015	9,216,520	—34.9	8,053,725	6,253,796	8,224,300	6,760,880	4,641,545	3,892,665
Victoria	1,015,962	2,090,195	—51.4	1,767,120	805,470	1,955,099	760,695	584,517	518,463
Total West: 18 cities	20,337,805	26,996,796	—24.7	24,089,385	16,135,758	19,274,126	13,648,345	10,216,543	10,464,533
Total all: 56 cities	72,005,553	96,462,699	—25.4	79,034,216	60,477,759	63,124,428	56,239,515	37,027,445	48,004,155

*Estimated. †No figures available.

normal times. In ordinary circumstances the building permits have a peculiar and added value as reflecting intentions with respect to the future. They are, moreover, strictly concerned with building work, as against engineering and similar projects.

As to the details of our own compilations, the downward trend of private building therein reflected was all but universal. The exceptions to be noted in a small group of cities are easily traceable to placement of huge war contracts in those localities and to an expansion in the need for housing which had to be met by one means or another. As a general rule, the building work slumped sharply in 1942, as against 1941, and in many important communities the decline ran to 80% or even 90%. The tendency, in other words, was toward simple suspension of private building construction.

It is particularly noteworthy that local housing authorities, aided by Federal agencies, were largely responsible for building construction activities in cities that boomed under the impetus of sizable war contracts last year. This trend already was sharply in evidence in 1941. It may be added that increasing scarcity of materials last year made necessary a lowering of the building standards of the local housing authorities.

We have already commented on the sharp downward trend of building construction in New York City during 1942, owing to palpable neglect by the Federal Government of the great manpower and other resources of the Metropolis in awarding war contracts. This Federal attitude toward New York City was in evidence during previous years, and it has for some time accentuated local factors in restraining building construction.

We have noted in the past that some important Federal agencies were transferred from Washington, D. C., to other centers, owing to the overcrowding of the national capital. The Securities and Exchange Commission, for instance, was transferred to Philadelphia, although it plainly would be better situated for efficient conduct of its work in New York City. On the other hand, many Army and Navy activities increased in New York City during 1942, and many office buildings that formerly were empty or nearly so again throbbed with life. Owing to the enrollment of many New Yorkers in the armed services and to a flow of skilled workers to active war production centers, owners of residential buildings in New York City were not, in general, so fortunate as owners of office structures.

The City of Washington, D. C., is, notoriously, the most overcrowded in the nation, since all war activities necessarily center there. It is instructive, however, that even Washington experienced in 1942 a decline of building construction permits to $30,832,350 from the 1941 total of $49,905,710. We cite this as the best possible illustration of the effect upon ordinary building construction of the war-occasioned materials scarcity. In 1941, when the scarcity was less acute, building construction in Washington showed a sharp advance over 1940.

Notwithstanding occasional tremendous increases of building activities in a few localities, during 1942, the general picture for the different areas and regions of the country shows no great variation. New York City, with a decline of 68.4 per cent, was more seriously affected than any other region into which our tabulations are classified.

The great sections of the country showed declines ranging from 55.0% for the Southern region to 30.2% for the Middle Atlantic States. Other declines in 1942 from the 1941 levels were: New England States 41.3%, Mid-Western area 35.0%, Other Western States 53.2%, Pacific States 49.8%.

We now present an instructive geographical comparison of building activities covering the last nine years:

AGGREGATES OF BUILDING PERMITS BY GEOGRAPHIC DIVISIONS

Calendar Years	No. of Cities	1942 $	1941 $	Inc. or Dec. %	1940 $	1939 $
New England	(59)	73,525,848	123,192,932	—41.3	107,847,524	89,644,630
Mid Atlantic	(72)	200,605,248	287,414,754	—30.2	240,974,981	240,849,850
Mid Western	(66)	228,199,359	351,301,893	—35.0	317,181,564	254,955,141
Other Western	(45)	56,018,792	119,681,873	—53.2	114,578,699	110,134,613
Pacific	(51)	152,732,278	302,398,730	—49.8	277,035,305	232,271,727
Southern	(60)	117,866,671	261,659,879	—55.0	268,185,088	244,228,288
Total	(353)	828,948,196	1,445,650,061	—42.7	1,375,803,161	1,172,084,249
New York City		48,462,520	153,175,987	—68.4	222,166,474	233,232,223
Total all	(354)	877,410,716	1,598,836,048	—45.1	1,597,969,635	1,405,316,472

	No. of Cities	1938 $	1937 $	1936 $	1935 $	1934 $
New Eng.	(59)	71,706,122	86,816,246	64,457,383	50,685,402	37,657,768
Mid Atl.	(72)	178,175,097	178,239,967	166,375,080	105,434,934	70,949,829
Mid West.	(66)	178,807,316	217,707,840	184,187,684	97,249,470	71,383,162
Oth. West.	(45)	80,707,860	81,669,434	81,278,248	58,277,167	30,763,486
Pacific	(51)	204,779,826	188,468,978	178,065,685	104,286,290	56,144,427
Southern	(60)	174,792,196	168,659,320	161,298,267	88,699,494	52,019,055
Total	(353)	888,968,417	921,561,785	835,662,347	504,632,757	318,917,727
New York City		326,631,135	307,418,752	211,225,454	152,603,654	80,576,288
Total all	(354)	1,215,599,552	1,228,980,537	1,046,877,801	657,236,411	399,494,015

In our general and detailed comparisons, also presented in these pages, we have included the building statistics for all the leading centers of the Dominion of Canada. The Canadian communities, like those in the United States, modified their building construction sharply in 1942, as against 1941, under the impact of the continuing war. Certain exceptions to this general rule are due to war production requirements. The 56 Canadian cities included in our tabulation reported building permits in 1942 of $72,005,553, against $96,462,699 in 1941, a drop of 25.4%.

48-Hour Week Pay Rise Called 'Ruinous' For Some Retail Stores

If retail stores now operating in 32 designated "critical areas" of the country, on a 40-hour, 5-day basis are required, under Regulation No. 3 of the War Manpower Commission, to go to a full 48-hour work week, and to pay overtime compensation, particularly if their general policy now calls for time and a half, they will experience in their payroll "a percentage increase which may prove ruinous."

The foregoing is part of the "supplementary observations" accompanying a report prepared by a sub-committee of the Personnel Group of the National Retail Dry Goods Association, whose recent study of the whole complex subject of store adoption of a 48-hour work week, with recommendations, received the full approval of the N. R. D. G. A. War Manpower Committee.

The study was conducted with a view to aiding stores in the designated areas in the preparation of tentative schedules for operation on a minimum 48-hour work week basis, which went into effect on April 1.

The sub-committee points out that the order as applied to retailing, in contrast to manufacturing activities, "obviously involves many inequalities." The advices from the Association also had the following to say:

"Some stores within a critical area may already be operating on a 48-hour work week and hence won't have to extend their present work hours or pay additional compensation, while other stores in the same area may, in the recent past, have reduced working hours of their employees without lowering their compensation.

"If these latter stores are required to adopt a 48-hour schedule and pay overtime compensation, particularly at a premium rate, they will be forced into a position of competitive disadvantage—as far as payroll expense is concerned.

"The committee warns these particular stores that every effort should be made to induce local War Manpower Commission and War Labor Board authorities to grant individual consideration—in the light of present operating practices."

Feb. Living Cost Up 0.4%

Living costs of wage earners and lower-salaried clerical workers in the United States continued their upward movement with a rise of 0.4% in February, according to the National Industrial Conference Board. Under date of March 12, the Board further said:

"Food prices again rose, this time 1.0% over January, and fuel and light was 0.5% higher than in January, due entirely to a 0.7% rise in the retail price of coal. Sundries were up 0.1%, while all other items remained unchanged.

"The Board's index of the cost of living (1923=100) stood at 101.8 in February as compared with 101.4 in January, 101.0 in December, 100.3 in November, 99.7 in October, 98.6 in September, 98.1 in August, and 95.1 in February, 1942.

"The level of living costs was 7.0% higher than that of a year ago. Food showed the greatest advance over January, 1942, with an increase of 15.2%. Other advances during the twelve months were: clothing, 4.9%; sundries, 3.7%; housing, 0.4%; and fuel and light, 2.0%.

"The purchasing value of the dollar, which amounted to 98.6 cents in January, declined to 98.2 cents in February. It stood at 99.0 in December, 100.3 cents in October and 105.2 cents a year ago."

Record Steel Plate Output

Steel plate production during February reached a new high daily rate, according to Hiland G. Batcheller, WPB Steel Division Director, who further stated:

"Average daily shipments in February were 38,285 net tons, while shipments for the month totaled 1,072,001 tons. This compares with a daily rate of 36,626 tons and a total of 1,135,413 tons in January, a longer month. Shipments in February, 1942, totaled 758,723 tons.

"Schedules of the nation's plate mills indicate a new all-time record tonnage for March, thus keeping pace with the increased rate of shipbuilding operations and with other essential demands for plates."

Automobile Financing And Diversified Financing For Month of February

The number of new passenger cars financed in February, 1943, by sales finance companies was 12% more than the number in January of this year, according to an announcement released on March 31 by J. C. Capt, Director of the Census. The dollar volume of paper acquired in this type of financing gained 19%. There was an increase of 17% in the number of used passenger cars financed and 20% in the dollar volume of paper acquired. Compared with the preceding month, the number of new commercial cars financed was 27% more in February and the dollar volume of paper acquired 37%. The number of used commercial cars financed increased 12%, while the dollar volume of paper acquired rose 23%.

As of February 28, 1943, the volume of retail automotive outstandings held by sales finance companies was 15% less than as of January 31, 1943, lowering the index to 27.

Of the wholesale automotive paper acquired by sales finance companies during February, 1943, the volume for new passenger and new commercial cars remained at approximately the same level as in January, while the volume for used passenger and used commercial cars increased 37%. The volume of outstanding balances for this type of paper dropped 7% from January 31, 1943 to February 28, 1943.

For February, 1943, month ago comparisons in retail diversified financing indicate a gain of 34% in the financing of radios and other musical instruments, but losses in all the other types of financing for which data are shown: Other household appliances (10%), residential building, repair and modernization (19%), refrigerators (21%), furniture (22%), and industrial, commercial and farm equipment (35%). In wholesale diversified financing, the volume of paper acquired increased 62% from January to February.

As of February 28, 1943, compared with January 31, 1943, the volume of diversified outstanding balances held by sales finance companies decreased 8% each for the retail financing of other consumers' goods and of industrial, commercial and farm equipment, and 10% for wholesale diversified financing (other than automotive).

The ratios of the paper acquired during February, 1943, to the outstanding balances as of February 28, 1943, were 5% for retail automotive, 4% for wholesale automotive, 10% for wholesale—other than automotive, 2% for retail—other consumers' goods, and 4% for industrial, commercial and farm equipment.

These data on the current trends of sales financing during February, 1943, were based on reports from 226 sales finance companies, and the dollar volumes should not be assumed to represent the total amount of financing by all sales finance companies in the United States. The data are published as reported, without adjustment for seasonal or price fluctuations. The figures presented in tables below are not comparable to those published for previous months, since monthly reports have not been received each month from identical sales finance companies. All indexes for February were obtained by calculating the percent changes from January to February, as shown by data on reports for both months from the same sales finance companies, and by linking these percentages to the indexes previously derived for January, 1943.

AUTOMOTIVE AND DIVERSIFIED FINANCING

Volume of Paper Acquired during February, 1943, and Balances Outstanding Feb. 28, 1943

Class of Paper—	Volume of paper acquired during February, 1943: By all companies	By companies reporting outstanding balances†	Outstanding balances Feb. 28 1943†	Ratio of paper acquired to outstand'g balances‡
Total retail automotive	$10,886,570	$10,421,344	$218,371,600	5
Total wholesale automotive	6,772,029	6,663,660	160,441,259	4
Total wholesale—other than automotive	179,787	135,696	1,325,348	10
Total retail—other consum. goods	3,210,549	3,085,049	128,006,158	2
Industrial, commercial and farm equipment	238,561	229,651	5,209,861	4
Total sales financings	$21,287,496	$20,535,400	$513,354,226	4

†Data are based on figures from sales finance companies able to report both their paper acquired and their outstanding balances.

‡Ratios obtained by dividing paper acquired (column 2) by outstanding balances (column 3).

AUTOMOTIVE FINANCING *

Number of Cars Financed and Volume of Paper Acquired during February, 1943

Class of Paper—	Number of cars: Number	Number of cars: % of total	Paper acquired: Dollar Volume	Paper acquired: % of total
Total retail automotive	24,691	100	†$10,715,234	100
New passenger cars	1,317	5	1,226,558	11
New commercial cars	100	1	130,702	1
Used passenger cars	22,314	90	8,772,886	82
Used commercial cars	960	4	585,088	6
Total wholesale automotive	----	--	†$5,549,415	100
New cars (passenger and commercial)	----	--	3,011,918	54
Used cars (passenger and commercial)	----	--	2,537,497	46

*Data are based on reports from sales finance companies providing a breakdown of their retail and wholesale automotive financing. †These amounts are less than those reported in above table due to the exclusion of some data for which breakdowns were not available.

DIVERSIFIED FINANCING *

Volume of Paper Acquired during February, 1943

Class of Paper	Dollar Volume	% of total
Retail—other consumers' goods:		
Furniture	$283,539	14
Radios, pianos & other musical instruments	80,415	4
Refrigerators (gas and electric)	48,432	2
Other household appliances	42,008	2
Residential building repair and modernization	826,260	40
Miscellaneous retail	368,427	18
Total retail—other consumers' goods	†$1,649,081	80
Total wholesale—other than automotive	179,787	9
Industrial, commercial, and farm equipment	238,561	11
Total diversified financing	$2,067,429	100

*Data are based on reports from sales finance companies providing a breakdown of their retail financing of other consumers' goods. †This amount is less than that reported in first table due to the exclusion of some data for which breakdowns were not available.

February Hotel Sales Higher

In its April bulletin, Horwath & Horwath, New York public accountants, report that the increase in total hotel sales this February over last was 32%, which exceeds by 4 points that for January. There was, however, says the bulletin, more room for improvement, as February, 1942, had an increase of only 3% over the February before, the smallest of the year. The bulletin further states:

"A rather interesting point is that, whereas heretofore the restaurant has been outstripping the rooms department in the upward sweep, the latter is now also showing large gains and is doing it, not only through occupancy, but also through rates. A total average rate rise of 8% has been unheard of in nearly six years, and, incidentally, that shown this February does not of course indicate increases in the scheduled rates, but more double occupancy and more sales of the higher-priced rooms."

February, 1943, Compared With February, 1942

	Sales, Increase or Decrease: *Total	Rooms	Total Restaurant	Food	Beverages	Occupancy Feb. 1943	Occupancy Feb. 1942	†Room Rate Increase or Decr.
New York City	+32%	+31%	+34%	+35%	+33%	85%	71%	+ 9%
Chicago	+33	+26	+42	+40	+47	83	71	+ 8
Philadelphia	+47	+45	+50	+46	+55	85	60	+ 2
Washington	+29	+12	+46	+44	+50	88	85	+ 8
Cleveland	+29	+22	+36	+40	+31	88	76	+ 5
Detroit	+39	+33	+46	+44	+48	87	72	+10
Pacific Coast	+43	+37	+48	+42	+57	79	65	+13
Texas	+33	+22	+48	+55	+16	87	77	+ 8
All others	+30	+26	+33	+29	+40	81	69	+ 7
Total	+32%	+27%	+35%	+33%	+41%	82%	70%	+ 8%
Year to date	+30%	+25%	+33%	+30%	+39%	82%	70%	+ 7%

†The term "rates" wherever used refers to the average sales per occupied room and not to scheduled rates. *Rooms and restaurant only.

Mutual Savings Banks To Discuss Post-War Planning At Meeting

The place of savings in the after-war world of tomorrow will be the principal subject of discussion at the forthcoming 1943 business meeting of the National Association of Mutual Savings Banks, to be held in New York, May 6 and 7. This broad theme is to constitute the basis of analytical discussion by representative men from the Government, business and banking. Also the meeting of this year will be an intimate family affair, in the sense that it is intended to bring together officers and trustees of mutual institutions at a moment when their deliberations will be of importance in sustaining the national effort. The two-day discussion is to cover a range of topics having special bearing upon management policy.

Although the program has not been completed, announcement was made on April 5 that the first session will convene in the grand ballroom of the Waldorf-Astoria at 10 A.M. on May 6, Levi P. Smith, President of the Burlington (Vt.) Savings Bank and President of the National Association, presiding. Mr. Smith will introduce Myron S. Short, Executive Vice-President of the Buffalo Savings Bank and President of the Savings Banks Association of the State of New York, whose address of welcome also is expected to touch upon affairs of the day. Events of the last year and prospects of the future are to be discussed by Mr. Smith in his presidential address. Henry Bruere, President of The Bowery Savings Bank of New York, and liaison officer for the Treasury Department and mutual savings banks, then will report upon distribution of War Savings Bonds.

A luncheon session—made popular by the Committee on Savings Bank Life Insurance — will take place at noon of the first day. Robert F. Nutting, President of the Cambridgeport Savings Bank, Cambridge, Mass., and chairman of the committee, is to preside. At the afternoon session of the first day, Winthrop W. Aldrich, Chairman of The Chase National Bank, New York, will address the delegates as to "Savings and War Finance."

Among others who are scheduled to address the meeting are Senator Warren R. Austin of Vermont and Abner H. Ferguson, Federal Housing Administrator.

Two symposiums are also planned for the meeting—the one on May 6 following the general course of "What Should Mutual Savings Banks Do During the War to Prepare for the Period After the War?" and the other on May 7 devoted to "What Part Should Savings Banks Take in Building the City of the Future?"

The first symposium's speakers will include:

Thomas H. Riley, Jr., Treasurer of the Brunswick (Me.) Savings Institution and Chairman of the Association's Committee on Methods and Services.

Edwin A. Stebbins, President of the Rochester (N. Y.) Savings Bank.

Willard W. Miller, President of the Bloomfield (N. J.) Savings Institution.

Edward A. Richards, President of the East New York Savings Bank, Brooklyn.

Harrison G. Taylor, Treasurer of the Worcester (Mass.) Five Cents Savings Bank.

Edwin C. Northrop, Vice-President of the Waterbury (Conn.) Savings Bank and President of the Connecticut Savings Banks Association.

Participating in the second symposium of the meeting will be:

Robert L. Hoguet, President of the Emigrant Industrial Savings Bank, New York City, and Chairman of the Association's Committee on Mortgage Investments.

L. A. Tobie, President of the Meriden (Conn.) Savings Bank.

William B. Snow, Jr., President of the Suffolk Savings Bank for Seamen and Others, Boston.

Charles F. Chubb, President of the Dollar Savings Bank, Pittsburgh.

Scherr Heads Savings Bank Bond Men Of N. Y.

At the regular monthly meeting of the Savings Banks Bond Men of the State of New York, held on April 7 at the Hotel Astor, New York City, A. Edward Scherr, Jr., was elected President for the year 1943-1944. For the past 11 years Mr. Scherr has been Assistant Treasurer of the Dime Savings Bank of Brooklyn and in charge of their bond investments. He is a member of the Investment Committee of the Savings Banks Association of the State of New York, and an active worker of the Victory Fund Committee in furthering the sale of War Bonds to institutions and other large investors.

OWI Booklet On Fight To Control Living Costs

The Office of War Information made public on March 30 a handbook, "Battle Stations For All," explaining the Government's living-cost and anti-inflation program. The booklet was prepared by OWI in cooperation with Government agencies concerned with the program. It is based chiefly upon explanations of Government policy by President Roosevelt, Economic Stabilization Director James F. Byrnes, and the heads of the other agencies administering different parts of the program. The OWI announcement states:

"The booklet discusses the consequences of failure in the fight to control living costs and prevent further inflation, such as lengthening the war, increasing the toll of dead and wounded, grave hardships to millions of Americans at home, needlessly adding billions to the cost of the war, and dangers of losing the peace."

Discussing "what lies ahead," the book emphasizes the need for:

"1. Holding the present line with no further general wage increases beyond the "Little Steel" formula, except to correct gross inequities and plainly sub-standard wages, and no further general price increases except "to the limited extent allowed by law."

"2. Sterner measures to draw off excess spending power, including higher taxes and some form of compulsory saving.

"3. Guaranteeing people at least their minimum essentials of food, clothing, shelter, transportation and recreation.

"The task of controlling living costs, comments the booklet, is no longer simply a matter of keeping prices under ceilings but is becoming "part of the broader task of organizing the entire civilian economy to win the war."

The title of the booklet, "Battle Stations For All," was inspired by a speech of President Roosevelt in which he described the fight against inflation as "the one front and one battle where everyone in the United States—every man, woman and child—is in action, and will be privileged to remain in action throughout the war."

The booklet points out:

"There simply is no such thing as a non-combatant in the battle against rising prices. What each of us buys—what each of us does not buy—affects prices, affects the supplies left for other civilians, affects how much of our strength is mobilized for war. Every day in dozens of actions, in how we shop and what we waste, we either help or hurt the enemy.

"If we understand that, if we understand what is being done and where each of us fits in, we will be able to battle the threat of rising prices more effectively. If not, we may lose the war or the peace in the only way that it can be lost, by defeating ourselves.".

Chapter headings of the booklet, which give a glimpse of its contents, are: Home Fronts At War; The Enemy—Rising Living Costs; Why Prices Go Up; Stretching Supplies; Taxes To Beat The Axis; Billions in Bonds; Taking the Profit Out of War; Paying Back Debts; Price Control; A Roof on Rents; A Fair Share (rationing); Stabilizing Wages; Parity For Farmers; We Win Or Lose.

March Tax Collections To Total $5 Billion

Collections of income and excess profits taxes deposited during March, 1943, amounted to $4,882,184,543 and items still untabulated in some of the collectors' offices will carry the total for the month over $5,000,000,000 Commissioner of Internal Revenue Guy T. Helvering reported to Secretary of the Treasury Morgenthau on April 1. Similar taxes collected and deposited in March last year amounted to $3,077,931,976.

Electric Output For Week Ended April 10, 1943 Shows 16.9% Gain Over Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 10, 1943, was approximately 3,882,467,000 kwh., compared with 3,320,-858,,000 kwh. in the corresponding week last year, an increase of 16.9%. The output for the week ended April 3, 1943, was 16.2% in excess of the similar period of 1942.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended— Apr. 10	Apr. 3	Mar. 27	Mar. 20
New England	9.4	10.0	7.5	8.2
Middle Atlantic	15.3	13.1	12.5	11.6
Central Industrial	15.0	13.1	14.8	14.7
West Central	12.4	11.0	14.2	14.6
Southern States	19.7	22.5	25.4	26.0
Rocky Mountain	10.6	12.3	12.2	12.5
Pacific Coast	26.9	24.4	26.3	28.3
Total United States	16.9	16.2	17.4	17.6

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1943	1942	% Change 1943 over 1942	1941	1932	1929
Jan 2	3,779,993	3,288,685	+14.9	2,845,727	1,619,265	1,542,000
Jan 9	3,952,587	3,472,579	+13.8	3,002,454	1,602,482	1,733,810
Jan 16	3,952,479	3,450,468	+14.5	3,012,638	1,598,201	1,736,729
Jan 23	3,974,202	3,440,163	+15.5	2,996,155	1,588,967	1,717,315
Jan 30	3,976,844	3,468,193	+14.7	2,994,047	1,588,853	1,728,203
Feb 6	3,960,242	3,474,638	+14.0	2,989,392	1,578,817	1,726,161
Feb 13	3,939,708	3,421,639	+15.1	2,976,478	1,545,459	1,718,304
Feb 20	3,948,749	3,423,589	+15.3	2,985,585	1,512,158	1,699,250
Feb 27	3,892,796	3,409,907	+14.2	2,993,253	1,519,679	1,706,719
Mar 6	3,946.630	3,392,121	+16.3	3,004,639	1,538,452	1,702,570
Mar 13	3,944,679	3,357,444	+17.5	2,983,591	1,537,747	1,687,229
Mar 20	3,946,836	3,357,032	+17.6	2,983,048	1,514,553	1,683,262
Mar 27	3,928,170	3,345,502	+17.4	2,975,407	1,480,208	1,679,589
Apr 3	3,889,858	3,348,608	+16.2	2,959,646	1,465.076	1,633,291
Apr 10	3,882,467	3,320,858	+16.9	2,905,581	1,480,738	1,696,543
Apr 17		3,307,700		2,897,307	1,469,810	1,709,331
Apr 24		3,273,190		2,950,448	1,454,505	1,699,822

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Apr. 13	117.68	109.42	117.80	115.24	110.52	96.23	100.65	112.93	115.63
12	117.51	109.60	117.80	115.24	110.52	96.38	100.81	112.93	115.63
10	117.48	109.60	117.80	115.24	110.52	96.54	100.81	112.93	115.63
9	117.46	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
8	117.48	109.79	118.00	115.43	110.52	96.85	101.14	113.12	115.82
7	117.46	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
6	117.44	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
5	117.51	109.79	117.80	115.43	110.52	96.85	101.14	113.12	115.82
3	117.38	109.60	117.60	115.43	110.52	96.85	100.98	112.93	115.63
2	117.29	109.79	117.80	115.43	110.52	96.85	100.98	113.12	115.63
1	117.20	109.60	117.80	115.43	110.52	96.69	100.98	113.12	115.63
Mar. 26	116.93	109.60	117.80	115.43	110.52	96.23	100.65	113.12	115.63
19	116.86	109.42	117.60	115.43	110.52	95.92	100.32	113.12	115.63
12	116.87	109.24	117.60	115.43	110.34	95.77	100.16	112.93	115.43
5	116.97	109.42	117.80	115.43	110.34	95.77	100.16	113.12	115.43
Feb 26	117.11	109.24	117.60	115.43	110.15	95.47	100.00	112.93	115.43
19	117.11	109.06	117.60	115.24	110.15	95.01	99.68	112.93	115.43
11	117.13	108.88	117.60	115.24	109.97	94.86	99.36	112.93	115.43
5	117.09	108.88	117.60	115.04	109.97	94.71	99.04	112.75	115.63
Jan. 29	117.04	108.70	117.60	115.04	109.79	94.56	99.04	112.56	115.43
22	117.05	108.34	117.20	114.66	109.60	94.26	98.73	112.37	115.24
15	117.05	108.16	117.20	114.66	109.42	93.82	98.41	112.19	115.04
8	117.02	107.62	116.80	114.08	109.06	92.93	97.62	112.00	114.66
1 Exchange Closed									
High 1943	117.58	109.79	118.00	115.63	110.70	96.85	101.14	113.31	115.82
Low 1943	116.85	107.44	116.80	113.89	108.88	92.35	97.16	111.81	114.46
High 1942	118.41	107.62	117.20	114.27	108.88	92.64	97.47	112.19	114.66
Low 1942	115.90	106.04	115.43	112.75	107.09	90.63	95.32	109.60	112.75
1 Year ago									
Apr. 13, 1942	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.70	114.08
2 Years ago									
Apr. 12, 1941	117.40	105.69	116.41	112.00	106.04	90.91	96.54	109.79	111.81

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1943— Daily Averages	U. S. Govt. Bonds	Avge. Corporate	Corporate by Ratings Aaa	Aa	A	Baa	Corporate by Groups R. R.	P. U.	Indus.
Apr. 13	2.03	3.20	2.76	2.89	3.14	3.99	3.71	3.01	2.87
12	2.04	3.19	2.76	2.89	3.14	3.98	3.70	3.01	2.87
10	2.04	3.19	2.76	2.89	3.14	3.97	3.70	3.01	2.87
9	2.04	3.19	2.76	2.89	3.14	3.96	3.69	3.00	2.87
8	2.04	3.18	2.75	2.88	3.14	3.95	3.68	3.00	2.86
7	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
6	2.05	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
5	2.04	3.18	2.76	2.88	3.14	3.95	3.68	3.00	2.86
3	2.05	3.19	2.77	2.88	3.14	3.95	3.69	3.01	2.87
2	2.06	3.18	2.76	2.88	3.14	3.95	3.69	3.00	2.87
1	2.07	3.19	2.76	2.88	3.14	3.96	3.69	3.00	2.87
Mar. 26	2.08	3.19	2.76	2.88	3.14	3.99	3.71	3.00	2.87
19	2.07	3.20	2.77	2.88	3.14	4.01	3.73	3.00	2.87
12	2.07	3.21	2.77	2.88	3.15	4.02	3.74	3.01	2.88
5	2.07	3.20	2.76	2.88	3.15	4.02	3.74	3.00	2.88
Feb 26	2.06	3.21	2.77	2.88	3.16	4.04	3.75	3.01	2.88
19	2.06	3.22	2.77	2.89	3.16	4.07	3.77	3.01	2.88
11	2.06	3.23	2.77	2.89	3.17	4.08	3.79	3.01	2.88
5	2.06	3.23	2.77	2.90	3.17	4.09	3.81	3.02	2.87
Jan. 29	2.06	3.24	2.77	2.90	3.18	4.10	3.81	3.03	2.88
22	2.06	3.26	2.79	2.92	3.19	4.12	3.83	3.04	2.89
15	2.06	3.27	2.79	2.92	3.20	4.15	3.85	3.05	2.90
8	2.07	3.30	2.81	2.95	3.22	4.21	3.90	3.06	2.92
1 Exchange Closed									
High 1943	2.08	3.31	2.81	2.96	3.23	4.25	3.93	3.07	2.93
Low 1943	2.03	3.18	2.75	2.87	3.13	3.95	3.68	2.99	2.86
High 1942	2.14	3.39	2.88	3.02	3.33	4.37	4.05	3.19	3.02
Low 1942	1.93	3.30	2.79	2.94	3.23	4.23	3.91	3.05	2.92
1 Year ago									
Apr. 13, 1942	1.96	3.34	2.83	2.97	3.30	4.26	3.94	3.13	2.95
2 Years ago									
Apr. 5, 1941	2.02	3.41	2.83	3.06	3.39	4.35	3.97	3.18	3.07

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

New Draft Regulations To Call All Men 18 To 38 By End Of Year—Revised Classes

The War Manpower Commission announced on April 12 certain changes in the Selective Service regulations "in order to enable the Selective Service System to continue to meet the manpower requirements of the armed forces, war production, agriculture, and other essential civilian activities and, at the same time, protect as long as possible, homes where there are children."

Paul V. McNutt, Chairman of the WMC, said that all able-bodied men between the ages of 18 and 38 will be in the armed forces by the end of 1943, with the exception of 3,200,000 men in agriculture, essential industry, the ministry and hardship cases. He stated that this action will be necessary in order to meet the total of 10,800,000 men required by the armed forces this year. Explaining that of an estimated 20,000,000 men between the ages of 18 and 38, Mr. McNutt said that only 14,000,000 are physically fit and more than half of these are already in the armed services. Of the remaining number 1,500,-000 are in agriculture and 1,700,-000 are deferred because of the ministry, divinity students and essential industrial workers. Subtracting these 3,200,000 from the 14,000,000 physically fit leaves the 10,800,000 required by the armed forces this year, Mr. McNutt's figures showed.

Another draft development on April 12 was the passage by the House of Representatives of the Kilday bill requiring draft boards to give fathers deferment priorities. The bill provides that quotas be filled on a State-wide instead of a local board basis, and that all single men be called for induction first with fathers being called last.

Major points in the new draft program, as outlined in memoranda to State directors by Major General Lewis B. Hershey, Director of Selective Service, included:

(1) Elimination of Class 3-B, the class heretofore used for classification of men with bona fide dependents who were also engaged in activities essential to the support of the war effort. No registrant will be placed in this class hereafter.

(2) Revision of Class 3-A, heretofore for men who had dependents but who were not engaged in an activity essential to the support of the war effort. Henceforth this class will be used for any registrant who maintains a bona fide family relationship with his child or children provided his status with regard to them was acquired prior to Dec. 8, 1941, with two exceptions. Registrants necessary to and regularly engaged in agriculture who have bona fide dependents will continue to be placed in Class 3-C. Registrants who are in non-deferrable activities or occupations designated as such by the War Manpower Commission will be reclassified without reference to the fact that they have children.

(3) Creation of Class 3-D, a new class in which shall be placed any registrant not otherwise deferred if it is determined that his induction into the land or naval forces would result in extreme hardship and privation to a wife, child, or parent with whom he maintains a bona fide family relationship in his home and if, by reason of such determination, it is considered advisable that he be deferred.

(4) Elimination of the "imminence of selection" rule. However, as has been the rule, dependents acquired on or after Dec. 8, 1941, will not be considered as a basis for deferment and any child born on or after Sept. 15, 1942, will be considered as having been conceived on or after Dec. 8, 1941, and thus will not be considered as cause for deferment unless there is affirmative evidence of a medical character which clearly establishes that birth was delayed.

(5) Stabilization in Class 3-A for any registrant with a child or children with whom he maintains a bona fide family relationship in their home, so that such registrants, placed in this class, shall not be considered for reclassification into a class available for military service or, if a conscientious objector, for work of national importance until such reclassification is ordered by the Director of Selective Service or a change in the registrant's status occurs.

(6) Reiteration of previous orders on filling calls so that men who are finally classified in Class 1-A, avilable for military service; Class 1-A-O, available for noncombatant military service; or Class 4-E, conscientious objectors available for work of national importance, should be called for induction into military service or assigned to work of national importance insofar as possible, in the following order: Single men with no dependents, single men with collateral dependents, married men with wives only, and finally, men with children.

The revised classifications for selective service registrants are classification and definition of classification.

1-A—Available for military service.

1-A-O—Conscientious objectors available for noncombatant military service.

1-C—Member of land or naval forces of the United States.

2-A—Man necessary in his essential civilian activity.

2-B—Man necessary to the war production program.

2-C—Man deferred by reason of his agricultural occupation or endeavor.

3-A—Man with child or children deferred by reason of maintaining bona fide family relationship.

3-C—Man with dependents who is regularly engaged in agricultural occupation or endeavor.

3-D—Man deferred because induction would cause extreme hardship and privation to a wife, child or parent with whom he maintains a bona fide family relationship.

4-A—Man 45 years old, or over, who is deferred by reason of age.

4-B—Official deferred by law.

4-C—Neutral aliens requesting relief from liability for training and service, and aliens not acceptable to the armed forces.

4-D—Minister of religion or divinity student.

4-E — Conscieutious objectors available for work of national importance.

4-F—Physically, mentally or morally unfit.

4-H—Men 38 to 45 now deferred because their age group is not being accepted for military service. (This group is being reclassified in case of eventual call.)

Newhall CPRB Head

The appointment of Arthur B. Newhall, former rubber co-ordinator of the War Production Board, as Executive Director of the Combined Production and Resources Board was announced on April 4.

The CPRB was set up last June to coordinate and integrate the productive resources of the United States, the United Kingdom and Canada. Mr. Newhall will supervise work of the Board's joint staff and the committee which prepare special studies on material, manpower and other problems. He has been attached to the CPRB since creation of the Office of Rubber Director under William M. Jeffers last September.

Freight Rate Increase Revoked By ICC

In a six-to-five decision handed down on April 6 and made public on April 12 the Interstate Commerce Commission suspended until Jan. 1, 1944, railroad freight rate increases authorized in March, 1942. The Commission at the same time left undisturbed an increase of 10% in standard passenger fares, except commutation fares, which went into effect last Spring.

The rate changes are to become effective May 15. The Commission held the proceeding open so that "should any developments occur which are now unforeseen" the Commission will have the advantage of the comprehensive record already before it in making a new decision.

The freight rate increases which were suspended averaged 4.7% and became effective March 18, 1942, to offset in part the railroad wage increases granted in December, 1941. The rates have been yielding about $350,000,000 annually as a whole, but with the standard passenger fares left in effect the net reduction in rail revenues as on the basis of existing traffic may be not more than $300,000,000 a year.

The ICC's action followed the filing of numerous petitions for reconsideration of the 1942 rate increases, among them requests by the OPA, the Director of Economic Stabilization and other governmental bodies asking that the increased charges be canceled.

The majority opinion was rendered by Commissioners Aitchison, Eastman, Lee, Mahaffie, Splawn and Rogers. Commissioners Porter, Miller, Patterson and Johnson and Chairman Alldredge dissented.

Number On Gov't Payroll Increased 73% In 1942

The Civil Service Commission, Washington, recently revealed that the number of civilian employees in the Executive branch of the Federal Government rose during 1942 from 1,620,900 to 2,-810,900, a net increase of 73%, and the Federal payroll went from $247,379,409 to $470,334,353, an increase of 90% during the 12-month period. Advices to the New York "Times" from Washington, reporting this further, said:

"War agencies and departments have about 1,984,600, nearly two and a half times the total on their rolls in December, 1941, according to the Civil Service Commission. These agencies now constitute about 71% of the Federal service, and more than 93% of last year's growth in Federal employment is directly attributable to three of them, the War Department, Navy Department and Office of Emergency Management.

"Civilian employees in Washington numbered 284,100 at the end of December, as against 207,-200 in December, 1941.

"Outside of Washington, civilian employment increased by 70,900 from November to December, aggregating 2,526,800 employees at the end of the month, as compared with 1,413,700 in December, 1941."

Moody's Daily Commodity Index

Tuesday, April 6	248.6
Wednesday, April 7	249.1
Thursday, April 8	248.8
Friday, April 9	247.6
Saturday, April 10	247.6
Monday, April 12	246.4
Tuesday, April 13	246.0
Two weeks ago, March 30	248.9
Month ago, March 13	247.0
Year ago, April 13	233.5
1942 High, Dec. 22	239.9
Low, Jan. 2	220.0
1943 High, April 1	249.8
Low, Jan. 2	240.2

Trading On New York Exchanges

The Securities and Exchange Commission made public April 12 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended March 27, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot-dealers) during the week ended March 27 (in round-lot transactions) totaled 2,815,486 shares, which amount was 15.57% of total transactions on the Exchange of 9,041,400 shares. This compares with member trading during the week ended March 20 of 2,235,088 shares or 16.79% of total trading of 6,657,240 shares. On the New York Curb Exchange, member trading during the week ended March 27 amounted to 412,870 shares, or 12.49% of the total volume of that Exchange of 1,653,125 shares; during the March 20 week trading for the account of Curb members of 402,770 shares was 14.14% of total trading of 1,420,465 shares.

The Commission made available the following data for the week March 27.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

	N. Y. Stock Exchange	N. Y. Curb Exchange
Total number of reports received	[illegible]45	680
1. Reports showing transactions as specialists	174	77
2. Reports showing other transactions initiated on the floor	193	52
3. Reports showing other transactions initiated off the floor	243	88
4. Reports showing no transactions	440	465

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 27, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	175,610	
‡Other sales	8,865,790	
Total sales	9,041,400	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	711,090	
Short sales	106,530	
‡Other sales	641,020	
Total sales	747,550	8.07
2. Other transactions initiated on the floor—		
Total purchases	448,090	
Short sales	24,220	
‡Other sales	409,540	
Total sales	433,760	4.88
3. Other transactions initiated off the floor—		
Total purchases	239,000	
Short sales	19,740	
‡Other sales	216,256	
Total sales	235,996	2.62
4. Total—		
Total purchases	1,398,180	
Short sales	150,490	
‡Other sales	1,266,816	
Total sales	1,417,306	15.57

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 27, 1943

	Total for week	†Per Cent
A. Total Round-Lot Sales:		
Short sales	10,745	
‡Other sales	1,642,380	
Total sales	1,653,125	
B. Round-Lot Transactions for the Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	124,440	
Short sales	6,220	
‡Other sales	131,570	
Total sales	137,790	7.93
2. Other transactions initiated on the floor—		
Total purchases	35,515	
Short sales	200	
‡Other sales	44,525	
Total sales	44,725	2.43
3. Other transactions initiated off the floor—		
Total purchases	26,885	
Short sales	600	
‡Other sales	42,815	
Total sales	43,415	2.13
4. Total—		
Total purchases	186,840	
Short sales	7,020	
‡Other sales	218,910	
Total sales	225,930	12.49
C. Odd-Lot Transactions for the Account of Specialists—		
Customers' short sales	78	
§Customers' other sales	54,098	
Total purchases	54,176	
Total sales	36,585	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Finished Steel Shipments By Subsidiaries Of U. S. Steel Corporation Were Higher In March

Shipments of finished steel products by subsidiary companies of the United States Steel Corporation during the first quarter were the highest for that period in the history of the Corporation, amounting to 5,149,982 net tons, compared with 5,136,418 net tons in the comparable period of 1942, an increase of 13,564 net tons.

Shipments of finished steel products for the month of March amounted to 1,772,397 net tons, compared with 1,691,592 net tons in the preceding month, an increase of 80,805 net tons, and with 1,780,938 net tons in the corresponding month in 1942, a decrease of 8,541 net tons.

In the table below we list the figures by months for various periods since January, 1929:

	1943	1942	1941	1940	1939	1929
January	1,685,993	1,738,893	1,682,454	1,145,592	870,866	1,364,801
February	1,691,592	1,616,587	1,548,451	1,009,256	747,427	1,388,407
March	1,772,397	1,780,938	1,720,366	931,905	845,108	1,605,510
April	------	1,758,894	1,687,674	907,904	771,752	1,617,302
May	------	1,834,127	1,745,295	1,084,057	795,689	1,701,874
June	------	1,774,068	1,668,637	1,209,684	607,562	1,529,241
July	------	1,765,749	1,666,667	1,296,887	745,364	1,480,003
August	------	1,788,650	1,753,665	1,455,604	885,636	1,500,281
September	------	1,703,570	1,664,227	1,392,838	1,086,683	1,262,874
October	------	1,787,501	1,851,279	1,572,408	1,345,855	1,333,385
November	------	1,665,545	1,624,186	1,425,352	1,406,205	1,110,050
December	------	1,849,635	1,846,036	1,544,623	1,443,969	931,744
Total by mos.	------	21,064,157	20,458,937	14,976,110	11,752,116	16,825,477
Yearly adjust	------	------	*42,333	37,639	*44,865	*12,827
Total	------	------	20,416,604	15,013,749	11,707,251	16,812,650

*Decrease.

NOTE—The monthly shipments as currently reported during the year 1942, are subject to adjustments reflecting annual tonnage reconciliations. These will be comprehended in the cumulative yearly shipments as stated in the annual report.

Steel Operations Continue At High Rate—Industry Shifts From PRP To CMP—Demand Up

"The oil industry and the railroads are two of the industries whose need for steel is becoming more critical rapidly," states "The Iron Age" in its issue of today (April 15), which further goes on to say, in part:

"Then there are many urgent demands in other fields, plus tight spots in the war program, like difficulty in obtaining steel for anti-friction bearings. Meanwhile, steel has been lost recently through labor disputes. The Edgar Thomson plant of Carnegie-Illinois Steel Corp. lost about 3,000 tons of steel and 2,000 tons of iron last week when the plant was forced to shut down for one shift due to a grievance over transferring timetakers to other vocations. A strike at Gary which lasted for 24 hours resulted in the loss of enough steel to produce 150 tanks.

"Requests by the 14 Government claimant agencies for carbon steel for third-quarter delivery have reached a high mark about 20% greater than the tonnage sought for second quarter. All agencies declare their needs are paramount.

"Having completely used up its reserve stocks of casing, tubing, drill pipe and other goods, which amounted to around 260,000 tons at the end of last year, the oil industry is scratching furiously for steel. Efforts are being made by governmental authorities to supply around 40,000 tons. The oil industry in first quarter was allowed about 140,000 tons of steel but actually received no more than about 75,000 tons.

"The situation in regard to locomotives is not so bad, as schedules call for providing 970 for domestic use this year. ODT has requested an additional 30,000 freight cars, rasing the 1943 total to 50,000 cars. The first request of the railroads was for 80,000 cars, but this was trimmed at Washington. Deliveries of about 60,000 tons of steel were delayed in the first quarter, retarding the car building program 8 to 10 weeks, with the result that nearly 9,500 cars scheduled in the first half of this year cannot be built until the third quarter.

"The ODT has applied for 2,200,000 tons of steel for the third quarter, including 600,000 tons of rail, 400,000 tons for repair and 350,000 tons for track accessories. The remainder of the steel will go for other transportation needs, such as tugs and barges. ODT asked 1,759,000 tons of steel for second quarter but was cut to 1,240,000 tons.

"WPB will not approve a steel allotment for 50,000 cars and will cut the rail allotment to about 400,000 tons, it is reported. If 40,000 composite freight cars (partly built of wood) are constructed, and 970 locomotives also are built, an estimated 1,027,250 tons of steel will be required.

"The ICC decision to reduce or remove freight increases will have an effect on all steel consumers as well as steel companies. The increase put into effect about a year ago roughly amounted to about 6% of the freight cost, and the reduction will take it back to where it was. This means that the delivered price of steel on May 15 will be reduced correspondingly. Actual reductions on the freight cost of steel items are varied and probably will run from $1.50 a ton to Far Western points down to 25 cents a ton or less on much shorter hauls."

The American Iron and Steel Institute on April 12 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.8% of capacity for the week beginning April 12, compared with 99.6% one week ago, 99.3% one month ago and 97.2% one year ago. This represents a decline of 0.8 point or 0.8% from the preceding week. The operating rate for the week beginning April 12 is equivalent to 1,710,900 tons of steel ingots and castings, compared to 1,747,700 tons one week ago, 1,719,500 tons one month ago, and 1,651,100 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on April 12 stated in part as follows: "Relatively little confusion is expected in passing from Production Requirements Plan to Controlled Materials Plan. Indications are that practically all consumers who had rated orders definitely promised for second quarter delivery, as of March 22, will have them certified under CMP before April 15, when allotment numbers under the latter take precedence. Some sellers report that more than 90% of their customers have supplied allotment numbers and the percentage for June rolling is expected to be even larger.

"At the moment many large producers are making no delivery promises on new business, waiting until they can appraise the situation, but survey indicates they will have little capacity left, even in plain carbon products.

"Current new orders for hot-rolled carbon steel bars stand little chance of being scheduled for rolling before June and, with average volume of allocations, probably little June capacity will be available. In larger rounds and flats second quarter rolling on new business is impossible except on directives. Cold-drawn bars are even tighter and August is about the best that can be offered on current contracts.

"Plate production in March set an all-time record with 1,167,679 net tons, topping the prior high of 1,135,413 tons rolled in January. The goal set for March was 1,170,000 tons.

"Scrap supply continues to support the high rate of steel production, though in some areas melters find too large a proportion is light and inferior material. Use of tonnage from reserves continues in some cases but not to a serious extent. Consumption of scrap is heavy, the average daily rate in February being greater than in January, and February melt was the largest in history for that month.

"No shortage of manganese ore is likely as reserves have been built up until an estimated 2,000,000 tons is available, nearly two years' supply. Recent shipments from West Africa have been above normal, attributed to vessel space made available by munitions movement to that continent. Both private buyers and the Metals Reserve Corp. are involved in building up stocks."

High Court To Review OPA Rent Control

The U. S. Supreme Court agreed on April 5 to review a decision holding unconstitutional the delegation of rent-control powers to the Office of Price Administration.

The Justice Department sought a review of a decision by Judge Thomas W. Slick in the Federal District Court at South Bend, Ind.; this ruling was referred to in our issue of March 4, page 835.

Regarding the case, Associated Press Washington advices on April 5 said:

Suit was filed originally by Edward Roach of South Bend, who contended he had been charged $45 a month by his landlord, Dick M. Johnson, when the ceiling price had been fixed at $35. The lease provided for $45. Roach's suit was dismissed by Judge Slick. The jurist ruled that "Congress never intended to delegate this omnipotent power (the right to arbitrarily fix rents at certain levels) to the Administrator of the Emergency Price Control Act and, if it was so intended, the Act, under such circumstances, is unconstitutional."

March War Spending Was Over $7 Billion

War expenditures by the United States Government reached a new high of $7,112,000,000 in the month of March, the War Production Board announced April 10. This was $1,031,000,000, or 17%, higher than in February. The previous high for monthly war expenditures, January, 1943, was exceeded by 13.7%, or $858,000,000.

The WPB announcement further stated:

"The average daily rate of expenditures in March was $263,400,000, compared with $253,400,000 in February, an increase of 4%. The daily rate is based on the 27 days in March and the 24 days in February on which checks were cleared by the Treasury.

"From July, 1940, through March, 1943, the United States Government disbursed $87,700,000,000 for war purposes.

"Expenditures by the Treasury and the Reconstruction Finance Corporation and its subsidiaries are covered by these figures."

Selected Income And Balance Sheet Items Class I Railways For December

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for class I steam railways in the United States for the month of December and the 12 months ending with December, 1942 and 1941.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for class A switching and terminal companies. The report is as follows:

	All Class I Railways			
	For the Month of December		For the 12 Months of	
Income Items—	1942	1941	1942	1941
Net ry. operat. income	$170,879,895	$79,332,410	$1,480,969,669	$998,286,704
Other income	40,093,338	39,158,252	182,565,843	176,948,215
Total income	210,973,233	118,490,662	1,663,535,512	1,175,234,919
Miscellaneous deductions from income	11,918,015	6,633,978	45,838,991	31,952,202
Income available for fixed charges	199,055,218	111,856,684	1,617,969,521	1,143,282,717
Fixed charges:				
Rent for leased roads and equipment	17,332,348	11,133,041	181,122,978	152,423,197
*Interest deductions	39,808,743	41,663,026	446,214,403	466,768,165
Other deductions	135,564	142,067	1,436,769	1,450,097
Total fixed charges	57,276,655	52,938,134	628,774,150	620,641,459
Inc. after fixed charges	141,778,563	58,918,550	988,922,371	522,641,258
Contingent charges	4,677,832	3,516,950	30,061,716	21,248,182
†Net income	137,100,731	55,401,600	958,860,655	501,393,076
Depreciation (way and structures and equip.)	19,061,015	23,308,300	247,403,405	221,015,791
Amortization of defense projects	15,227,065	3,702,491	91,958,827	8,344,714
Federal income taxes	45,940,820	4,440,340	758,867,301	172,597,269
Dividend appropriations:				
On common stock	25,123,786	23,414,331	161,377,945	158,400,722
On preferred stock	5,159,968	3,298,765	34,427,287	27,445,004
¶Ratio of income to fixed charges	3.48	2.11	2.57	1.84

	All Class I Railways		Class I Railways Not in Receivership or Trusteeship	
	Balance at End of December		Balance at End of December	
Selected Asset Items—	1942	1941	1942	1941
Investments in stocks, bonds, etc., other than those of affiliated companies	$534,222,452	$498,591,797	$510,237,741	$470,623,854
Cash	$947,333,612	$769,390,048	$677,810,565	$583,895,744
Temporary cash investments	709,501,630	135,210,121	601,960,192	127,091,383
Special deposits	152,856,710	205,472,767	103,159,389	161,156,740
Loans and bills receivable	314,733	1,198,759	259,473	1,012,628
Traffic and car-service balances (Dr.)	37,025,330	32,394,324	32,065,827	29,335,594
Net balance receivable from agents and conductors	156,966,700	82,749,925	129,756,437	68,676,767
Miscellaneous accounts receivable	445,450,368	204,342,297	352,664,157	159,874,126
Materials and supplies	503,960,792	460,105,558	404,062,406	371,013,261
Interest and dividends receivable	17,561,344	16,770,455	16,233,001	14,885,772
Rents receivable	1,508,664	1,116,072	1,011,636	819,224
Other current assets	13,058,790	5,775,894	8,615,373	4,319,663
Total current assets	2,985,478,673	1,914,526,220	2,327,598,456	1,522,080,902
Selected Liability Items—				
‡Funded debt maturing within six months	$140,844,986	$92,473,371	$122,973,784	$80,669,578
§Loans and bills payable	$31,367,557	$57,293,193	$1,104,200	$3,766,100
Traffic and car-service balances (Cr.)	121,156,796	56,914,798	79,999,703	41,042,230
Audited accounts and wages payable	327,804,409	326,198,460	263,189,091	257,607,492
Miscellaneous accounts payable	76,405,985	56,110,506	57,908,747	41,642,907
Interest matured unpaid	72,482,101	95,357,477	59,180,908	82,999,999
Dividends matured unpaid	15,424,046	13,395,794	15,081,880	13,043,530
Unmatured interest accrued	65,926,203	67,086,540	54,275,234	53,869,447
Unmatured dividends declared	21,817,697	7,785,770	21,817,697	7,785,770
Unmatured rents accrued	17,611,597	16,597,980	15,214,760	14,808,590
Accrued tax liability	978,813,729	347,099,141	876,558,621	311,760,996
Other current liabilities	65,744,264	54,155,280	49,764,162	42,150,568
Total current liabilities	1,794,554,384	1,097,994,939	1,493,094,103	870,477,629
Analysis of accrued tax liability:				
U. S. Government taxes	859,012,862	238,868,124	779,366,048	224,330,124
Other than U. S. Government taxes	119,800,867	108,231,017	97,192,573	87,430,872

*Represents accruals, including the amount in default. †For railways not in receivership or trusteeship the net income was as follows: December, 1942, $118,494,206; December, 1941, $52,558,855; for the twelve months ended December, 1942, $785,367,066; twelve months ended December, 1941, $482,466,746. ‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report. ¶For railways in receivership and trusteeship the ratio was as follows: December, 1942, 2.42; December, 1941, 1.28; twelve months, 1942, 2.18; twelve months, 1941, 1.18. §Includes obligations which mature not more than two years after date of issue.

Statutory Debt Limitation As Of March 31, 1943

The Treasury Department made public on April 6 its monthly report showing the face amount of public debt obligations issued under the Second Liberty Bond Act (as amended) outstanding on March 31, 1943, totaled $118,494,540,437, thus leaving the face amount of obligations which may be issued subject to the $125,000,000,000 statutory debt limitation at $6,505,459,563. In another table in the report, the Treasury indicates that from the total face amount of outstanding public debt obligations ($118,494,540,437) should be deducted $4,096,314,661 (the unearned discount on savings bonds), reducing the total to $114,398,225,776, but to this figure should be added $1,108,429,287 (the other public debt obligations outstanding but not subject to the statutory limitation). Thus, the total gross debt outstanding as of March 31, 1943 was $115,506,655,063.

The following is the Treasury's report for March 31:

Satutory Debt Limitation As of March 31, 1943

Section 21 of the Second Liberty Bond Act, as amended, provided that the face amount of obligations issued under authority of that Act, "shall not exceed in the aggregate $125,000,000,000, outstanding at any one time."

The following table shows the face amount of obligations outstanding and the face amount which can still be issued under this limitation:

Total face amount that may be outstanding at any one time			$125,000,000,000
Outstanding as of March 31, 1943:			
Interest-bearing:			
Bonds—			
Treasury	$49,273,465,650		
*Saving (Maturity value)	21,987,015,500		
Depository	162,061,000		
Adjusted service	723,378,807		
		$72,145,920,957	
Treasury notes	$21,725,677,950		
Certificates of indebtedness	15,081,672,000		
Treasury bills (Maturity val.)	9,234,428,000		
		46,041,777,950	
		$118,187,698,907	
Matured obligations, on which interest has ceased		80,625,700	
Bearing no interest (U. S. War Savings Stamps)		226,215,830	
			118,494,540,437
Face amount of obligations issuable under above authority			$6,505,459,563

RECONCILEMENT WITH DAILY STATEMENT OF THE UNITED STATES TREASURY MARCH 31, 1943

Total face amount of outstanding public debt obligations issued under authority of the Second Liberty Bond Act		$118,494,540,437
Deduct unearned discount on Savings bonds (difference between current redemption value and maturity value)		4,096,314,661
		$114,398,225,776
Add other public debt obligations outstanding but not subject to the statutory limitation:		
Interest-bearing (pre-War, etc.)	195,960,420	
Matured obligations on which interest has ceased	8,373,100	
Bearing no interest	904,095,767	
		1,108,429,287
Total gross debt outstanding as of March 31, 1943		$115,506,655,063

*Approximate maturity value. Principal amount (current redemption value) according to preliminary public debt statement $17,890,700,839.

To Release Men Over 38 From Army To Supply Farms With Needed Manpower

President Roosevelt disclosed at his press conference on March 30 steps which are being taken to supply farms with needed manpower, especially dairy workers.

The program outlined by the President calls for releasing men over 38 years old from the Army, upon request, for work in essential industry, including agriculture; urging experienced dairy or farm workers between 38 and 45 years old who are in non-deferable occupations, to seek reemployment on farms; and using conscientious objectors and men who are in 4-F draft classification because of physical disabilities for work on farms. Former dairy workers over 45 years old will also be urged to return to farms.

If these steps do not adequately relieve the situation, the President's statement said, county war boards (composed of farmers) will furnish local Selective Service Boards the names of experienced dairy workers who have left the farm to go into industry. They will be urged to return, the President declared, adding that it is not deemed wise that this be done at this time because within the last 10 days there has been a back-to-the-farm movement due to the Tydings amendment to the Selective Service Act.

The President's statement also said that Chester Davis, Food Administrator, is giving priority to his organization of a land army. The President added:

"Mr. (Samuel Zemuray, the President of United Fruit Co., is undertaking to supervise the securing of agricultural workers from the Bahamas and Jamaica. These English-speaking workers will help in the East where needed. Mr. Davis is not yet prepared to announce his plans, but in a businesslike way will provide for bringing in Mexican workers in the Southwest, and, most important, for the organization of a land army of college students, high school students, and volunteer workers who have had some farm experience and can help harvest the crops this year."

We also quote from the President's statement as follows:

"We have only estimates as to the number of dairy workers needed. The extension service in Ohio indicates a shortage in that State of 2,500 to 5,000. On this basis, there should be a national shortage of about 50,000. To relieve the situation these steps have been or will be taken:

"I. The War Manpower Commission has directed every employment office to lits the names of farmers wanting to employ dairy workers.

"II. Release of men from Army.

"The War Department has taken the following action with reference to releasing men 38 years of age and over from the Army:

"1. Discharge of such individuals will cease after March 31, 1943.

"2. Effective April 1, 1943, such individuals will be transferred to an inactive status in the Enlisted Reserve Corps, subject to the following conditions:

"(a) The man must request transfer to an inactive status, to enter an essential industry, including agriculture, accompanied by a statement from the War Manpower Commission to the effect that his release is desired.

"(b) The man will be recalled to active duty upon request of the War Manpower Commission.

"The details of release, control while on inactive status, and recall, are being worked out by the War Department and the War Manpower Commission (Selective Service system) and will be issued within the next few days.

"This action will mean that the man who is placed in the Reserve Corps must continue at work in some essential occupation approved by the Selective Service. There are only 500 over 38 years of age listed as dairy farmers or dairy farm hands, but thousands listed as farmers or farm workers have had experience that would qualify them as dairy workers.

"III. Registrants 38 to 45.

"Chester Davis (Food Administrator) is directing the country war boards (composed of farmers) that wherever there is a shortage of dairy workers they should secure from the local Selective Service Boards the names of registrants between 38 and 45 who are in occupations which are non-deferable and who have experience as dairy workers or farm workers. They will be urged by the county war board and the local board to seek reemployment as dairy workers.

"IV. Conscientious objectors.

"In this group there are 500 experienced dairy workers who, according to General Hershey, can be furnished today to dairy farmers. An additional 1,800 with farm experience would probably make good as dairy workers and are now available.

"V. Men physically disabled.

"There are 2,000,000 between 18 and 45 who are in 4-F because of physical disability. Of these, 6,200 between 18 and 37 are experienced dairy workers, but are not now employed on dairy farms. Many thousands of others have had general farm experience. The local boards will be directed to send for these dairy workers and urge them to return to their former occupations. If they refuse, considerations will be given to asking the War Department to waive physical disabilities where such disabilities are so slight that the registrant could be assigned to limited service.

"VI. Registrants over 45.

"County war boards will be directed to secure from Selective Service names of registrants over 45 having dairy experience. The war boards will urge their return to dairy farms.

"VII. Dairy workers who have gone into industry.

"If these steps do not adequately relieve the situation county war boards will furnish to local Selective Service Boards the names of experienced dairy workers who have left the farm to go into industry. They will be urged to return. It is not deemed wise that this be done at this time because within the last ten days there has been a back-to-the-farm movement due to the Tydings Amendment."

President Roosevelt had previously (March 26) made known at his press conference that plans were under way for the deferment from military service of about 3,000,000 more farm workers before the end of this year. He stated that 550,000 farm workers between the ages of 18 and 37 have already been deferred from the draft and that by the end of the year an additional 3,000,000 would be excused from military service.

Regarding the farm machinery problem, the President stated that more steel will be allotted and that the War Production Board would lift its ban on limiting manufacture of farm implements to the small concerns. He explained that the WPB order had caused faulty distribution because the small plants had no nationwide system for handling manufactures.

FDR Sells War Bonds To White House Staff

President Roosevelt personally started the Government's Second War Loan drive for $13,000,000,000 when on April 7 he sold bonds to his White House staff and asked the people to observe the slogan: "They Give Their Lives—We Lend Our Money."

Although the campaign did not officially open until April 12, the President and Secretary of the Treasury Morgenthau held an advance ceremony with the White House staff to set the example for the nation. Mr. Roosevelt sold the first $25 bond to John Pye, an elderly Negro messenger serving at the White House.

Mr. Morgenthau told the President that the bonds offered the people of America "the opportunity to lend their support to our fighting men in the great spring offensives."

Surveying his staff gathered around him, Mr. Roosevelt said:

"This is just a small cross-section of the White House staff, but this is like a great many other American houses throughout the country — most of us have got some member of the family in the fighting forces of the United States and we back home are trying to do our bit, too. We subscribe.

"If I might paraphrase the slogan of this new drive to maintain the war and turn out more things for our troops at the front —the slogan is for us — 'They Give Their Lives. We Lend Our Money.'"

Weekly Coal And Coke Production Statistics

The Bituminous Coal Division, U. S. Department of the Interior, in its latest report, states that the total production of bituminous coal and lignite in the week ended April 3 is estimated at 11,150,000 net tons, a decrease of 1,500,000 tons, or 11.9%, from the preceding week. This reduction was due in part to the observance of the Eight-Hour Day, April 1, by the industry as a holiday. Production of soft coal in the week ended April 4, 1942 amounted to 10,458,000 tons. For the current year to date, output of bituminous coal and lignite was 7% in excess of that for the same period last year.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended April 3 was estimated at 1,357,000 tons, an increase of 16,000 tons (1.2%) over the preceding week. When compared with the output in the corresponding period of 1942, there was an increase of 477,000 tons, or 54.2%.

The U. S. Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 3 showed an increase of 14,100 tons when compared with the output for the week ended March 27. The quantity of coke from beehive ovens decreased 14,800 tons during the same period.

ESTIMATED UNITED STATES PRODUCTION OF COAL
In Net Tons (000 omitted)

	Week Ended			January 1 to Date		
Bituminous coal and lignite—	Apr. 3 1943	Mar. 27 1943	Apr. 4 1942	Apr. 3 1943	Apr. 4 1942	Apr. 3 1937
Total, incl. mine fuel	11,150	12,650	10,458	157,840	147,562	136,883
Daily average	†2,027	2,108	2,011	2,011	1,863	1,753
*Crude Petroleum— Coal equivalent of weekly output	6,275	6,241	5,475	82,637	85,477	70,182

*Total barrels produced during the week converted into equivalent coal assuming 6,000,000 B. t. u. per barrel of oil and 13,100 B. t. u. per pound of coal. Note that most of the supply of petroleum products is not directly competitive with coal (Minerals Yearbook, Review of 1940, page 775). †April 1, "Eight-Hour Day," weighted as 0.5 of a normal working day.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	§Apr. 3 1943	Mar. 27 1943	Apr. 4 1942	Apr. 3 1943	Apr. 4 1942	Apr. 6 1929
*Total, incl. colliery fuel	1,357,000	1,341,000	880,000	15,860,000	14,803,000	19,630,000
†Commercial production	1,303,000	1,287,000	¶845,000	15,225,000	¶14,211,000	18,217,000
Beehive coke— United States total	156,200	171,000	148,700	2,106,800	1,993,700	1,667,400
By-product coke— United States total	1,234,900	1,220,800	1,169,200	16,198,100	15,720,100	‡

*Includes washery and dredge coal and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable date not available. §Subject to revision. ¶Revised.

ESTIMATED WEEKLY PRODUCTION OF COAL, BY STATES
(In Thousands of Net Tons)

(The current weekly estimates are based on railroad carloadings and river shipments and are subject to revision on receipt of monthly tonnage reports from district and State sources or of final annual returns from the operators.)

	Week Ended					Mar. avge.
State—	Mar. 27 1943	Mar. 20 1943	Mar. 28 1942	Mar. 29 1941	Mar. 27 1937	¶1923
Alabama	380	382	383	367	308	423
Alaska	6	6	5	4	2	**
Arkansas and Oklahoma	104	112	42	53	45	77
Colorado	174	164	143	175	175	195
Georgia and North Carolina	1	1	††	1	††	**
Illinois	1,575	1,583	1,126	1,557	1,511	1,684
Indiana	517	507	479	601	516	575
Iowa	61	53	59	87	117	122
Kansas and Missouri	171	175	153	175	205	144
Kentucky—Eastern	961	998	858	938	895	560
Kentucky—Western	328	309	211	263	277	215
Maryland	43	40	44	41	40	52
Michigan	9	10	8	13	16	32
Montana (bituminous and lignite)	92	79	68	46	67	68
New Mexico	43	44	30	27	42	53
North and South Dakota (lignite)	63	50	30	37	37	**34
Ohio	781	733	702	664	655	740
Pennsylvania (bituminous)	2,985	2,839	3,002	2,970	2,890	3,249
Tennessee	158	160	155	157	128	118
Texas (bituminous and lignite)	6	6	5	7	14	19
Utah	137	131	101	94	84	68
Virginia	428	436	348	377	346	230
Washington	30	27	36	39	34	74
*West Virginia—Southern	2,391	2,345	2,252	2,233	2,178	1,172
†West Virginia—Northern	1,004	968	933	841	794	717
Wyoming	201	201	138	144	127	136
‡Other Western States	1	1	††	††	††	**7
Total bituminous and lignite	12,650	12,360	11,311	11,931	11,503	10,764
§Pennsylvania anthracite	1,341	1,221	1,158	1,124	1,216	2,040
Total all coal	13,991	13,581	12,469	13,055	12,719	12,804

*Includes operations on the N. & W.; C. & O.; Virginian; K. & M.; B. C. & G.; and on the B. & O. in Kanawha, Mason, and Clay counties. †Rest of State, including the Panhandle District and Grant, Mineral, and Tucker counties. ‡Includes Arizona California, Idaho, Nevada and Oregon. §Data for Pennsylvania anthracite from published records of the Bureau of Mines. ¶Average weekly rate for entire month. **Alaska, Georgia, North Carolina, and South Dakota included with "Other Western States." ††Less than 1,000 tons.

National Fertilizer Association Commodity Price Average Lower Last Week

The general level of wholesale commodity prices was lower last week, according to the price index compiled by The National Fertilizer Association and made public on April 12. In the week ended April 10 this index stood at 136.0% of the 1935-1939 average. It registered 136.5 in the preceding week, 135.5 a month ago and 126.8 a year ago. The Association's report added:

The sharp decline in the farm products price index was mainly responsible for the downturn in the all-commodity index. The only items to advance in the farm products group were lambs and choice cattle, all other livestock prices and cotton, and most grain prices declined, the net result being the largest decline registered by the farm product index this year. The textile average declined fractionally. The food price average was somewhat higher, as further advances in potato quotations more than offset declines in less important items. The building materials index was also higher, due to advancing linseed oil prices.

During the week 11 price series included in the index advanced and 4 declined; in the preceding week there were 16 advances and 5 declines; in the second preceding week there were 11 advances and 9 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Apr. 10 1943	Preceding Week Apr. 3 1943	Month Ago Mar. 6 1943	Year Ago Apr 11 1942
25.3	Foods	139.1	138.8	137.4	124.6
	Fats and Oils	147.7	147.7	148.1	137.3
	Cottonseed Oil	159.0	159.0	159.0	159.0
23.0	Farm Products	155.6	157.9	155.6	138.7
	Cotton	202.8	203.6	199.0	194.5
	Grains	139.8	149.2	141.9	115.3
	Livestock	152.2	152.8	152.2	133.8
17.3	Fuels	122.2	122.2	121.7	117.4
10.8	Miscellaneous commodities	130.4	130.4	130.4	128.0
8.2	Textiles	151.7	151.8	151.1	149.7
7.1	Metals	104.4	104.4	104.4	104.4
6.1	Building materials	152.3	152.2	152.1	140.0
1.3	Chemicals and drugs	126.6	126.6	127.1	120.3
.3	Fertilizer materials	117.9	117.9	117.6	118.7
.3	Fertilizers	119.8	119.8	119.8	115.3
.3	Farm machinery	104.1	104.1	104.1	104.1
100.0	All groups combined	136.0	136.5	135.5	126.8

*Indexes on 1926-1928 base were April 10, 1943, 105.9; April 3, 106.3; April 11, 1942, 98.8.

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the week ended April 3, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by odd-lot dealers and specialists.

We are also giving below the figures for the week ended March 13, since these were omitted from a previous issue of the "Chronicle." Figures for the intervening weeks appeared in our issues of April 1, page 1221, and April 8, page 1314.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended—	Apr. 3, '43	Mar. 13, '43
Odd-lot Sales by Dealers: (Customers' Purchases)		
Number of orders	31,884	23,813
Number of shares	927,677	689,238
Dollar value	28,844,577	21,846,738
Odd-lot Purchases by Dealers: (Customers' Sales)		
Number of orders:		
Customers' short sales	243	211
*Customers' other sales	30,140	22,099
Customers' total sales	30,383	22,310
Number of shares:		
Customers' short sales	7,434	6,841
*Customers' other sales	821,754	616,238
Customers' total sales	829,188	623,079
Dollar value	23,658,494	18,069,086
Round-lot Sales by Dealers:		
Number of shares:		
Short sales	190	190
†Other sales	166,320	137,740
Total sales	166,510	137,930
Round-lot Purchases by Dealers:		
Number of shares	255,480	211,520

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Decision On Renewal Of Trade Agreements Act Will Indicate Future U. S. Policy, Says Welles

Sumner Welles, Under-Secretary of State, speaking on April 1 on the "Post-War Commercial Policy of the United States" before the Chamber of Commerce of the State of New York, served notice that if a "misguided opposition" should succeed in blocking a renewal of the Reciprocal Trade Treaties Act which expires on June 12, next, other ways would be found to develop foreign trade. Doubtless there were some who would favor "actual Government trading," he added significantly.

Earlier Mr. Welles had said that the Trade Agreements Act was based on the philosophy that it was the function of private enterprise to develop our foreign trade and that there was no provision in the act whereby the Government undertook to buy or sell anything or particiate in the conduct of business. Mr. Welles further stated that "there has been vigorous but misguided opposition to these agreements by special interests who insist on a virtually complete monopoly of the domestic market and who object to facing any foreign competition at all."

He went on to say:

"If the effort to develop a thriving foreign trade in the traditional American way, as contemplated in the Trade Agreements Act should be thwarted by such opposition, other ways inevitably will have to be found to meet the overriding requirements I have mentioned. Doubtless there are some who would favor actual government trading. If private interests will not let private enterprise do what is essential in the national interest, then pressure of necessity will force the adoption of other methods. For my part, I consider it of vital importance to the continued functioning of this democracy that American foreign trade, as well as other economic activities, be handled in the American way."

Mr. Welles declared he was revealing no State secret when he said that "one of the gravest doubts which exists in the minds of our partners in the United Nations today is the doubt as to what the policy of the United States would be when the victory is won." He continued:

"They remember that when the victory of 1918 had been achieved, this great country of ours withdrew from almost every form of practical cooperation with its former allies in the great task of constructing that kind of world in which we and all other peace-loving and liberty-loving peoples could securely and profitably live. In very truth, we won the war, and made no effort to win the peace."

Under-Secretary Welles concluded:

"Our Allies are asking themselves now whether we will again follow that same course. In a very real sense the decision that will be made with regard to the renewal of the Trade Agreements Act will be regarded by peoples throughout our world as an acid test of our future intentions. They will see in that decision a clear indication as to whether the people of the United States have determined upon a policy of international cooperation for the future, or whether they will once more turn back to that road of isolation which leads to inevitable disaster."

In the early part of his address, Mr. Welles said that he has no illusions whatever as to the difficulty of the task of creating permanent peace machinery; he added:

"For my part I do not consider it hopeless. I believe that from the moment its hopelessness is generally denied, from the moment people abandon a defeatist attitude and begin searching for ways to solve the problems presented, rather than for reasons why they can't be solved, from that moment we will be well on the way to success in this greatest of all human undertakings.

"And I am even more convinced that unless the American people are willing to assume their fair share of responsibility for the maintenance of peace in the world of the future, by joining in the exercise of police powers when that may be determined by international agreement to be necessary, and by participating in such other forms of international cooperation as may effectively prevent the rise of economic or political dangers, the peace of the world cannot be maintained."

Mr. Welles likewise asserted in his address that "from whatever standpoint our domestic or our international problems are approached, it becomes apparent that in the post-war world an expansion of international trade is indispensable."

As the Chamber repeatedly has endorsed the principle of the Trade Treaties Act and had urged its extension at the previous meeting in March, the 500 members who heard Mr. Welles' warning did not regard it as being directed at them, but at the unnamed "private interests" to whom he referred in his address.

Frederick E. Hasler, President of the Chamber, who presided at the meeting, assured Mr. Welles at the conclusion of his address that every member of the Chamber was with him in the fight for a renewal of the Trade Agreements Act and expressed the hope that every business man in the United States would back him up.

Dr. Eduardo Santos, former President of Colombia, and the members of the Latin American Consular Corps in New York, who were honorary guests of the Chamber, were enthusiastic in their applause of Mr. Welles. John D. Rockefeller, Jr., and Thomas W. Lamont, both Vice-Presidents of the Chamber, followed Mr. Welles' remarks with keen interest.

Money In Circulation

The Treasury Department in Washington has issued the customary monthly statement showing the amount of money in circulation after deducting the moneys held in the United States Treasury and by Federal Reserve banks and agents. The figures this time are for Feb. 28, 1943, and show that the money in circulation at that date (including, of course, that held in bank vaults of member banks of the Federal Reserve System) was $16,087,533,935, as against $15,589,577,244 on Jan. 31, 1943, and $11,484,515,871 on Feb. 28, 1942, and compares with $5,698,214,612 on Oct. 31, 1920. Just before the outbreak of the first World War, that is, on June 30, 1914, the total was $3,459,434,174.

Revenue Freight Car Loadings During Week Ended April 3, 1943 Amounted To 772,133 Cars

Loading of revenue freight for the week ended April 3, 1943, totaled 772,133 cars, the Association of American Railroads announced on April 8. This was a decrease below the corresponding week of 1942, of 56,905 cars, or 6.9%, but an increase above the same week in 1941, of 88,731 cars, or 13%.

Loading of revenue freight for the week of April 3 decreased 15,227 cars, or 1.9% below the preceding week.

Miscellaneous freight loading totaled 383,080 cars, an increase of 9,277 cars above the preceding week, and an increase of 6,382 cars above the corresponding week in 1942.

Loading of merchandise less than carload-lot freight totaled 100,966 cars, an increase of 1,018 cars above the preceding week, but a decrease of 38,855 cars below the corresponding week in 1942.

Coal loading amounted to 157,457 cars, a decrease of 22,245 cars below the preceding week, but an increase of 9,637 cars above the corresponding week in 1942.

Grain and grain products loading totaled 43,326 cars, a decrease of 1,653 cars below the preceding week, but an increase of 7,989 cars above the corresponding week in 1942. In the Western Districts alone, grain and grain products loading for the week of April 3 totaled 29,375 cars, a decrease of 1,910 cars below the preceding week but an increase of 7,426 cars above the corresponding week in 1942.

Livestock loading amounted to 13,859 cars, an increase of 119 cars above the preceding week, and an increase of 1,884 cars above the corresponding week in 1942. In the Western Districts alone, loading of livestock for the week of April 3 totaled 10,787 cars, an increase of 378 cars above the preceding week, and an increase of 1,372 cars above the corresponding week in 1942.

Forest products loading totaled 41,895 cars, an increase of 178 cars above the preceding week but a decrease of 6,607 cars below the corresponding week in 1942.

Ore loading amounted to 17,135 cars, a decrease of 1,144 cars below the preceding week and a decrease of 37,909 cars below the corresponding week in 1942.

Coke loading amounted to 14,415 cars, a decrease of 777 cars below the preceding week, but an increase of 574 cars above the corresponding week in 1942.

All distircts reported decreases compared with the corresponding week in 1942, except the Central Western and Southwestern, but all districts reported increases above the corresponding week in 1941 except the Northwestern.

	1943	1942	1941
5 weeks of January	3,530,849	3,858,479	3,454,409
4 weeks of February	3,055,640	3,122,942	2,866,565
4 weeks of March	3,073,426	3,174,781	3,066,011
Week of April 3	772,133	829,038	683,402
Total	10,432,048	10,985,240	10,070,387

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 3, 1943. During this period only 36 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 3

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1943	1942	1941	1943	1942
Eastern District—					
Ann Arbor	267	608	580	1,481	1,457
Bangor & Aroostook	2,487	2,218	2,355	260	280
Boston & Maine	6,437	7,961	8,392	16,238	16,216
Chicago, Indianapolis & Louisville	1,640	1,496	1,215	2,208	2,006
Central Indiana	29	35	13	83	46
Central Vermont	1,093	1,249	1,471	2,707	2,072
Delaware & Hudson	6,316	6,701	4,928	12,745	13,043
Delaware, Lackawanna & Western	7,510	7,701	8,912	11,428	9,446
Detroit & Mackinac	230	283	239	129	177
Detroit, Toledo & Ironton	1,795	2,060	1,862	1,556	1,323
Detroit & Toledo Shore Line	307	332	434	3,487	3,442
Erie	12,850	14,073	14,038	21,184	15,510
Grand Trunk Western	3,507	4,597	6,437	9,188	8,335
Lehigh & Hudson River	182	211	217	3,326	4,066
Lehigh & New England	2,247	1,672	1,661	1,781	1,915
Lehigh Valley	6,998	8,150	8,031	12,993	19,532
Maine Central	2,476	2,884	2,813	4,201	4,255
Monongahela	5,815	6,218	1,512	439	464
Montour	1,927	2,316	558	29	43
New York Central Lines	52,671	47,145	46,332	53,441	54,113
N. Y., N. H. & Hartford	10,586	12,196	11,779	20,520	20,048
New York, Ontario & Western	883	1,007	1,082	2,175	3,267
New York, Chicago & St. Louis	6,155	7,315	5,974	16,630	15,877
N. Y., Susquehanna & Western	356	498	498	2,718	1,540
Pittsburgh & Lake Erie	7,697	8,548	7,356	8,776	7,638
Pere Marquette	4,807	5,273	6,882	8,661	6,261
Pittsburg & Shawmut	850	666	240	22	60
Pittsburg, Shawmut & North	318	426	210	251	333
Pittsburgh & West Virginia	562	1,010	725	3,805	3,190
Rutland	336	521	627	1,107	1,226
Wabash	5,521	5,875	6,098	12,393	10,887
Wheeling & Lake Erie	4,907	5,533	3,682	6,007	4,835
Total	159,762	166,778	157,153	241,969	223,903
Allegheny District—					
Akron, Canton & Youngstown	789	628	592	1,483	1,151
Baltimore & Ohio	39,971	39,071	31,152	28,857	26,271
Bessemer & Lake Erie	2,816	3,846	2,586	1,610	2,375
Buffalo Creek & Gauley	*331	303	5	*3	2
Cambria & Indiana	1,737	1,823	376	10	11
Central R. R. of New Jersey	6,868	8,014	7,380	20,593	19,648
Cornwall	91	664	648	73	64
Cumberland & Pennsylvania	312	257	123	13	32
Ligonier Valley	124	152	56	55	30
Long Island	1,262	800	759	3,857	3,623
Penn-Reading Seashore Lines	1,602	1,799	1,607	3,028	2,726
Pennsylvania System	78,676	81,401	66,438	63,305	56,836
Reading Co.	16,077	15,599	15,565	30,648	29,323
Union (Pittsburgh)	20,925	21,353	19,903	4,743	3,993
Western Maryland	3,758	3,809	2,636	15,163	13,918
Total	175,339	179,519	149,826	173,441	160,003
Pocahontas District—					
Chesapeake & Ohio	26,130	26,629	12,592	13,145	12,347
Norfolk & Western	20,432	22,825	10,613	7,624	7,043
Virginian	4,519	4,452	1,565	2,141	2,217
Total	51,081	53,906	24,770	22,910	21,607
Southern District—					
Alabama, Tennessee & Northern	308	409	271	332	419
Atl. & W. P.—W. R. R. of Ala.	785	967	936	2,525	2,409
Atlanta, Birmingham & Coast	641	702	726	1,367	1,220
Atlantic Coast Line	14,998	13,588	12,093	11,627	9,535
Central of Georgia	4,580	4,625	4,889	5,448	4,050
Charleston & Western Carolina	451	454	517	1,722	1,938
Clinchfield	1,615	1,681	1,635	3,246	2,629
Columbus & Greenville	320	366	271	263	267
Durham & Southern	106	80	224	593	340
Florida East Coast	2,800	2,581	1,233	1,609	1,343
Gainesville Midland	43	49	44	143	132
Georgia	1,578	1,766	1,076	2,466	2,598
Georgia & Florida	392	367	379	744	634
Gulf, Mobile & Ohio	3,716	4,433	3,874	5,051	3,730
Illinois Central System	25,165	28,794	21,550	16,796	15,206
Louisville & Nashville	23,433	26,191	17,753	11,496	9,750
Macon, Dublin & Savannah	206	183	180	961	721
Mississippi Central	251	183	180	462	444
Nashville, Chattanooga & St. L.	3,128	3,391	3,570	5,633	3,876
Norfolk Southern	1,147	1,267	1,223	1,581	1,385
Piedmont Northern	366	505	535	1,291	1,068
Richmond, Fred. & Potomac	371	542	396	10,684	9,997
Seaboard Air Line	10,704	11,215	10,475	9,761	7,743
Southern System	22,907	26,310	24,107	24,495	22,483
Tennessee Central	677	736	536	893	872
Winston-Salem Southbound	114	137	135	998	953
Total	120,802	131,522	108,808	122,187	105,742
Northwestern District—					
Chicago & North Western	15,147	20,911	17,067	12,491	12,462
Chicago Great Western	2,475	2,663	2,506	3,119	3,055
Chicago, Milw., St. P. & Pac.	18,793	19,805	19,788	11,071	8,857
Chicago, St. Paul, Minn. & Omaha	3,112	3,304	3,464	3,735	3,742
Duluth, Missabe & Iron Range	935	16,379	1,470	203	281
Duluth, South Shore & Atlantic	521	695	482	471	656
Elgin, Joliet & Eastern	8,786	10,136	10,259	10,959	9,716
Ft. Dodge, Des Moines & South	421	571	549	80	150
Great Northern	10,719	18,660	10,478	5,251	4,283
Green Bay & Western	450	515	519	843	804
Lake Superior & Ishpeming	139	2,482	1,624	33	80
Minneapolis & St. Louis	1,918	2,111	1,648	2,300	2,153
Minn., St. Paul & S. S. M.	4,455	6,642	4,881	2,933	3,214
Northern Pacific	8,250	10,484	9,395	4,931	4,465
Spokane International	72	126	115	654	412
Spokane, Portland & Seattle	1,821	2,821	2,431	3,103	2,868
Total	78,014	118,305	86,676	62,177	57,198
Central Western District—					
Atch., Top. & Santa Fe System	21,941	22,683	20,366	12,927	9,182
Alton	3,073	3,531	3,277	3,836	3,828
Bingham & Garfield	508	552	612	83	132
Chicago, Burlington & Quincy	18,436	15,786	15,165	12,897	9,937
Chicago & Illinois Midland	3,192	2,747	717	874	793
Chicago, Rock Island & Pacific	12,878	11,403	11,983	13,963	10,968
Chicago & Eastern Illinois	2,438	2,501	2,622	5,834	3,089
Colorado & Southern	707	832	682	1,957	1,726
Denver & Rio Grande Western	3,174	2,569	1,840	5,523	4,640
Denver & Salt Lake	598	344	290	7	25
Fort Worth & Denver City	1,002	962	1,013	1,983	1,165
Illinois Terminal	1,899	1,996	1,792	1,602	2,093
Missouri-Illinois	1,030	1,328	904	513	465
Nevada Northern	2,057	2,009	1,921	143	148
North Western Pacific	791	1,051	575	719	421
Peoria & Pekin Union	22	18	6	0	0
Southern Pacific (Pacific)	26,921	27,778	24,240	12,954	9,485
Toledo, Peoria & Western	267	301	393	1,695	1,020
Union Pacific System	13,535	15,224	15,104	15,174	10.866
Utah	589	362	143	5	7
Western Pacific	1,703	1,727	1,562	3,790	3,281
Total	116,761	115,704	105,207	96,479	73,271
Southwestern District—					
Burlington-Rock Island	959	437	150	220	193
Gulf Coast Lines	5,305	4,800	3,650	2,379	2,713
International-Great Northern	2,014	1,987	1,877	3,564	3,073
Kansas, Oklahoma & Gulf	300	326	223	1,222	1,011
Kansas City Southern	5,119	4,378	2,220	3,033	2,859
Louisiana & Arkansas	2,795	3,071	2,190	2,620	2,090
Litchfield & Madison	222	391	252	1,040	1,005
Midland Valley	665	531	487	283	211
Missouri & Arkansas	176	228	159	525	420
Missouri-Kansas-Texas Lines	5,629	5,520	4,348	6,015	4,475
Missouri Pacific	16,227	15,748	13,416	16,979	15,373
Quanah Acme & Pacific	98	146	126	399	158
St. Louis-San Francisco	8,628	8,037	7,253	9,113	7,283
St. Louis Southwestern	3,060	3,370	2,673	5,320	5,207
Texas & New Orleans	14,674	9,635	7,814	5,655	4,445
Texas & Pacific	4,359	4,569	3,956	6,731	6,440
Wichita Falls & Southern	121	105	136	45	47
Weatherford M. W. & N. W.	23	25	22	35	28
Total	70,374	63,304	50,962	65,178	57,031

Note—Previous year's figures revised. *Previous week's figure.

Allies Shipbuilding Capacity Outweighs Axis, Armstrong Study Of Naval Construction Shows

Germany and Italy as naval powers, with the exception of submarines, have been virtually eclipsed, and Japan has replaced only about half of its naval power losses, but United States Navy war losses have already been replaced by the tonnage of completed new construction, according to a study of the shipbuilding industry, released April 2 by George S. Armstrong & Co., Inc., industrial engineers and management consultants.

The study, which deals also with the logistics of amphibious warfare, constitutes the fifth of a series entitled "An Engineering Interpretation of the Economic and Financial Aspects of American Industry."

According to the Armstrong report, Germany, Japan and Italy had an estimated total displacement tonnage of 1,710,000 in naval fighting vessels on Jan. 1, 1943, and 1,300,000 additional tons under construction, for a total of 3,010,000 tons before further sinkings. This compares with an estimated combatant vessel displacement tonnage of 3,075,000 for the United States, British Empire and Russia on January 1, and an estimated 3,425,000 additional tons under construction, for a total of 6,500,000 tons.

The Allies apparently hold a "tremendous advantage in shipbuilding capacity, but due to the highly specialized development of the submarine by Germany and the menace of destruction by submarines, it is important to measure both her capacity and power in this form of naval warfare," the report says. It is estimated that the United States, Great Britain and Russia have allotted a shipbuilding capacity of 1,075,000 displacement tons for naval vessels per year, compared with only 585,000 for the Axis powers.

"The greatest single factor in the reduction of the time required to build a ship" is welding, says the report in its section about the art of shipbuilding. "The average building time required for a destroyer has been reduced from 23 months in 1940 to 6½ months in 1942 and for a submarine from 16 months in 1940 to 12 months in 1942," according to the study. Construction time for merchant ships has been cut from 240 days in January, 1942, to an average of 52.6 days a year later, the survey states. The report also says:

"Approximately two to three times the tonnage of ships is now produced on a given shipway than in the last World War. Under the older methods the capacity of our shipway facilities and the number of workers engaged would have had to be doubled or tripled to obtain the present output."

Discussing post-war prospects in the shipbuilding industries, the Armstrong Co. says that "at the end of the present war the ship tonnages under American registry will undoubtedly be the largest of any country in the world," and will be made up predominantly of the Liberty ship type. Because this type ship was designed in all respects to facilitate construction rather than for economy of operation, it "will be expensive to operate compared with other cargo vessels designed by the United States Maritime Commission." If this country continues its aggressive policy under the Merchant Marine Act of 1936, and as amended in 1938 and 1939, "it is quite probable that the Liberty ship might rapidly be retired in favor of fewer but more efficient cargo vessels," says the report.

US-Iran Trade Pact

A reciprocal trade agreement between the United States and Iran was signed in Washington on April 8 by Secretary of State Hull and Mohammed Shayesteh, the Minister of Iran. The pact is designed to facilitate exchange of goods during the war "and to provide a basis for expansion of trade" afterwards.

Associated Press Washington advices of April 8 had the following to say with regard thereto:

"Concessions granted Iran include reductions in American tariffs on Oriental rugs, opium, cashmere goat hair, copper ware, dried barberries, apricots and peaches, and cigar and cigarette boxes of inlaid wood or silver.

"In return, Iran exempts American automobiles, buses, truck chassis, parts and accessories, and tires and tubes from a 15% ad valorem tax heretofore collected.

"Rates of duty on various types of agricultural and industrial machinery from the United States are bound against increase, and tractors of all kinds are frozen on the free list. The duty on American radio receiving sets and tubes is cut in half."

Lumber Movement—Week Ended April 3, 1943

According to the National Lumber Manufacturers Association, lumber shipments of 453 mills reporting to the "National Lumber Trade Barometer" exceeded production by 10.6% for the week ended April 3, 1943. In the same week new orders of these mills were 9.4% greater than production. Unfilled order files in the reporting mills amounted to 93% of stocks. For reporting softwood mills, unfilled orders are equivalent to 38 days' production at the current rate, and gross stocks are equivalent to 38 days' production.

For the year to date, shipments of reporting identical mills exceeded production by 17.2%; orders by 21.4%.

Compared to the average corresponding week of 1935-39 production of reporting mills was 26.3% greater; shipments were 24.5% greater, and orders were 24% greater.

Market Value Of Stocks On New York Stock Exchange Higher On March 31

The New York Stock Exchange announced on April 7 that as of the close of business March 31, there were 1,239 stock issues, aggregating 1,469,456,426 shares listed on the New York Stock Exchange, with a total market value of $45,845,738,377. This compares with 1,241 stock issues, aggregating 1,470,238,525 shares, with a total market value of $43,538,661,753 on Feb. 27 and with 1,238 stock issues, aggregating 1,468,597,820 shares listed on the Stock Exchange on March 31, 1942, with a total market value of $32,844,183,750.

In making public the figures for March 31, the Exchange said: "As of the close of business March 31, New York Stock Exchange member total net borrowings amounted to $386,894,993. The ratio of these member borrowings to the market value of all listed stocks on that date was, therefore, 0.84%. As the above figure includes all types of member borrowings, these ratios will ordinarily exceed the precise relationship between borrowings on listed shares and their total market value."

In the following table listed stocks are classified by leading industrial groups with the aggregate market value and average price for each:

Group	Mar. 31, 1943 Market Value $	Mar. 31, 1943 Av. Price $	Feb. 27, 1943 Market Value $	Feb. 27, 1943 Av. Price $
Amusement	458,682,119	21.18	348,449,378	17.97
Automobile	3,777,583,086	31.51	3,632,226,130	30.30
Aviation	682,674,850	20.40	626,177,430	18.12
Building	539,475,549	26.28	512,412,021	24.96
Business & office equipment	372,284,144	31.56	352,014,254	29.84
Chemical	6,009,096,712	63.05	5,880,150,680	61.69
Electrical equipment	1,595,693,480	39.74	1,512,586,634	37.67
Farm machinery	750,149,610	57.25	703,776,814	53.71
Financial	945,604,765	18.69	872,596,093	17.25
Food	2,877,240,156	30.82	2,781,516,049	29.79
Garment	45,517,158	27.20	42,753,183	25.55
Land & realty	26,162,237	5.38	24,771,911	5.10
Leather	217,663,692	25.88	211,586,344	25.16
Machinery & metals	1,637,253,916	23.94	1,518,747,183	22.20
Mining (excluding iron)	1,536,487,198	26.16	1,414,724,115	24.08
Paper & publishing	438,999,295	19.47	418,451,297	18.56
Petroleum	5,467,898,486	28.42	5,132,113,161	26.68
Railroad	3,568,614,888	31.33	3,318,622,055	29.14
Retail merchandising	2,286,231,969	31.41	2,125,248,714	29.16
Rubber	511,969,290	48.45	456,125,929	43.17
Ship building & operating	112,552,278	23.61	106,938,152	22.44
Shipping services	12,803,303	7.42	10,584,002	6.14
Steel, iron & coke	2,245,807,415	44.85	2,119,758,312	42.33
Textiles	446,747,272	31.70	415,603,830	29.55
Tobacco	1,183,550,635	44.01	1,147,891,019	42.86
Utilities:				
Gas & electric (operating)	1,978,788,904	21.38	1,907,855,976	20.26
Gas & electric (holding)	928,785,558	9.69	877,810,347	9.16
Communications	3,270,422,896	78.21	3,284,087,941	78.54
Miscellaneous	97,071,883	13.20	88,645,902	12.08
U. S. companies oper. abroad	698,058,855	20.57	636,883,368	18.77
Foreign companies	996,528,800	24.63	897,112,913	22.17
Miscellaneous businesses	129,337,978	22.03	124,440,616	21.20
All Listed Stocks	45,845,738,377	31.20	43,538,661,753	29.61

We give below a compilation of the total market value and the average price of stocks listed on the Exchange:

	Market Value $	Average Price $
1940—		
Nov. 30	41,848,246,961	28.72
Dec. 31	41,890,646,959	28.80
1941—		
Jan. 31	40,279,504,457	27.68
Feb. 28	39,398,228,749	27.08
Mar. 31	39,696,269,155	27.24
Apr. 30	37,710,958,708	25.78
May 31	37,815,306,034	25.84
June 30	39,607,836,569	27.07
July 31	41,654,256,215	28.46
Aug. 30	41,472,032,904	28.32
Sept. 30	40,984,419,434	28.02
Oct. 31	39,057,023,174	26.66
Nov. 29	37,882,316,239	25.87
Dec. 31	35,785,946,533	24.46
1942—		
Jan. 31	36,228,397,999	24.70
Feb. 28	35,234,173,432	24.02
Mar. 31	32,844,183,750	22.36
Apr. 30	31,449,206,904	21.41
May 29	32,913,725,225	22.40
June 30	33,419,047,743	22.73
July 31	34,443,805,860	23.42
Aug. 31	34,871,607,323	23.70
Sept. 30	35,604,809,453	24.20
Oct. 31	37,727,599,526	25.65
Nov. 30	37,374,462,460	25.41
Dec. 31	38,811,728,666	26.39
1943—		
Jan. 30	41,410,585,043	28.16
Feb. 27	43,538,661,753	29.61
Mar. 31	45,845,738,377	31.20

Continental U. S. Engineering Construction $305,973,000 For March

Civil engineering construction volume in continental United States totaled $305,973,000 for the month of March. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, was 0.1% lower than the $306,242,000 reported for February, 1943, and 58% undere the $729,485,000 for March, 1942, according to "Engineering News-Record" on April 9, which addeed:

March private construction was 18% under the preceding month, and 55% lower than in the 1942 month. Public work climbed 2% over last month's total, but was 58% below last year. State and municipal construction rose 156% over a month ago, and was responsible for the public gain, as Federal work was 0.5% under the February value. Comparisons with the 1942 month, however, revealed State and municipal down 73%, and Federal work off 57%.

Civil engineering construction volumes in continental U. S. for the 1942 month, the preceding month, and for March 1943 were:

	Mar., 1942	Feb., 1943	Mar., 1943
Total U. S. Construction	$729,485,000	$306,242,000	$305,973,000
Private Construction	67,299,000	36,561,000	29,983,000
Public Construction	662,186,000	269,681,000	275,990,000
State and Municipal	45,788,000	4,797,000	12,282,000
Federal	616,398,000	264,884,000	263,708,000

Civil engineering construction volume totaled $839,041,000 for the opening three months of 1943, an average of $69,920,000 for each of the twelve weeks of the period. On the weekly average basis, the current year's volume was 54% below the $1,993,088 reported for the thirteen-week period in 1942. Private construction for the three months, $82,042,000, declined 53% from a year ago, and public work, $756,999,000, was down 55% when adjusted for the difference in the number of weeks.

New Capital

New capital for construction purposes for March totaled $47,179,000, an increase of 0.4% over March, 1942. Federal appropriations for non-Federal work, $3,088,000, and private investment, $44,091,000, made up the 1943 month's financing total.

The March financing volume brought 1943 volume to $62,718,000, 95% below the $1,419,454,000 reported for the three months in 1942.

Continental U. S. Engineering Construction 53 Percent Above Week Ago

Civil engineering construction in continental U. S. for the week totals $93,841,000, as reported by "Engineering News-Record" on April 8. This volume, not including the construction by military combat engineers, American contracts outside the country, and shipbuilding, is 53% above the preceding week, but declines 62% from the corresponding week last year. The report continues as follows:

Private construction is 17% lower than last week and 13% below last year. Public construction tops a week ago by 75%, as both State and municipal work and Federal volume increased. The public total, however, is 65% below the 1942 week.

The current week's volume brings 1943 construction to $994,271,000, an average of $71,019,000 for each of the 14 weeks of the year. On the weekly average basis, 1943 volume is 55% lower than the $2,346,568,000 reported for the 15-week period last year. Private work, $108,467,000, is 46% below a year ago, and public construction, $885,804,000, is down 55% when adjusted for the difference in the number of weeks.

Continental U. S. engineering construction volumes for the 1942 week, last week, and the current week are:

	April 9, 1942	April 1, 1943	April 8, 1943
Total U. S. Construction	$246,344,000	$61,389,000	$93,841,000
Private construction	13,772,000	14,452,000	11,973,000
Public construction	232,572,000	46,937,000	81,868,000
State and municipal	22,228,000	4,350,000	5,778,000
Federal	210,344,000	42,587,000	76,090,000

In the classified construction groups, gains over last week are in industrial and public buildings, earthwork and drainage, streets and roads, and unclassified construction. Commercial building is the only class of work to gain over the 1942 week. Subtotals for the week in each class of construction are: Waterworks, $1,575,000; sewerage, $470,000; bridges, $300,000; industrial buildings, $1,575,000; commercial buildings, $10,123,000; public buildings, $34,348,000; earthwork and drainage, $2,835,000; streets and roads, $7,043,000, and unclassified construction, $35,572,000.

New capital for construction purposes for the week totals $402,783,000. It is made up of $400,350,000 in Federal appropriations for Naval construction, $1,388,000 in State and municipal bond sales, $1,000,000 in corporate security issues and $45,000 in FWA loans to municipalities.

The week's new financing brings 1943 volume to $466,888,000 for the 14 weeks, a figure that compares with $2,432,151,000 for the 15-week period in 1942.

Wholesale Commodity Index Advanced 0.1% During Week Ended April 3, Labor Dept. Reports

The Department of Labor announced on April 8 that further gains in primary market prices for agricultural commodities, particularly fruits and vegetables and cattle, brought the Bureau of Labor Statistics' comprehensive index up 0.1% during the week ended April 3. The all-commodity index now stands at 103.4% of the 1926 average, or about 5½% higher than at this time last year.

The Department's announcement further said:

"**Farm Products and Foods**—Average prices for farm products in primary markets rose 0.4% during the week. In addition to sharp increases in prices for fresh fruits and vegetables, steers and cows were up over 2%; rye, 1.8%; and corn and cotton, about one-half of 1%. Hay and flaxseed continued to advance. Eggs declined seasonally during the week and prices were also lower for hogs, wheat, apples and oranges.

"Prices for foods averaged 0.2% higher during the week ended April 3 with increased prices reported for dried beans, onions, potatoes and lemons, and for corn meal and oleomargarine.

"**Industrial Commodies**—Industrial commodity markets remained comparatively steady. Prices for linseed oil and turpentine advanced while rosin declined. Superphosphate advanced more than 6% during the week as a result of action by the Office of Price Administration. Boxboard continued to rise."

The Department made the following notation:

"During the period of rapid changes caused by price controls, materials allocation and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. Indexes marked (*), however, must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports."

The following table shows index numbers for the principal groups of commodities for the past three weeks, for March 6, 1943, and April 4, 1942, and the percentage changes from a week ago, a month ago, and a year ago:

(1926=100)

Commodity groups—	4-3 1943	3-27 1943	3-20 1943	3-6 1943	4-4 1942	Percentage changes to April 3, 1943 from 3-27 1943	3-6 1943	4-4 1942
All commodities	*103.4	*103.3	*103.9	*102.9	97.9	+0.1	+0.5	+ 5.6
Farm products	124.7	124.2	122.4	122.0	104.2	+0.4	+2.2	+19.7
Foods	107.8	107.6	107.1	106.4	97.2	+0.2	+1.3	+10.9
Hides and leather products	118.4	118.4	118.4	118.4	118.1	0	0	+ 0.3
Textile products	96.8	96.8	96.8	96.8	97.0	0	0	— 0.2
Fuel and lighting materials	80.8	80.8	80.8	80.9	78.3	0	—0.1	+ 3.2
Metals and metal products	*103.9	*103.9	*103.9	*103.9	103.8	0	0	+ 0.1
Building materials	110.4	110.4	110.4	110.1	110.5	0	+0.3	— 0.1
Chemicals and allied products	100.1	100.0	100.0	99.9	97.1	+0.1	+0.2	+ 3.1
Housefurnishing goods	104.2	104.2	104.2	104.1	104.3	0	+0.1	— 0.1
Miscellaneous commodities	91.2	91.2	91.2	91.0	89.6	0	+0.2	+ 1.8
Raw materials	112.8	112.5	111.5	111.2	99.4	+0.3	+1.4	+13.5
Semimanufactured articles	93.0	92.9	92.9	92.9	92.8	+0.1	+0.1	+ 0.2
Manufactured products	*100.7	*100.7	*100.6	*100.6	98.2	0	+0.1	+ 2.5
All commodities other than farm products	*98.9	*98.8	*98.8	*98.7	96.6	+0.1	+0.2	+ 2.4
All commodities other than farm products and foods	*96.7	*96.6	*96.6	*96.6	95.6	+0.1	+0.1	+ 1.2

*Preliminary.

Public Sale Of J. P. Morgan Stock In Bank Quickly Oversubscribed

The public offering on April 8 of a block of 18,750 shares of J. P. Morgan & Co. Incorporated, representing the entire holdings in the bank of the late Chairman, J. P. Morgan, who died on March 13, was quickly oversubscribed and the books closed before noon.

The stock (par $100) was offered at $200 a share by a syndicate headed by Morgan Stanley & Co. and Smith, Barney & Co. and a group of 25 other underwriters, including the First Boston Corporation; Harriman Ripley & Co., Inc., and Kidder, Peabody & Co. The 18,750 shares amount to 9.37% of the 200,000 shares of capital stock outstanding.

This was the second public offering of stock since the Morgan institution was incorporated on April 1, 1940, to take over the business conducted by the former private banking firm of J. P. Morgan & Co. On Feb. 3, 1942, Smith, Barney & Co. offered a block of 16,500 shares of stock at $206 a share. The purpose of the sale at that time, it was said, was to further broaden the ownership of the company. The current offering marks another step in this direction.

In the report of the bank showing the operating results for the year ended Dec. 13, 1942, the 1942 net earnings amounted to $3,251,131, equal to about $16.25 a share. Dividends last year were $6 a share, which absorbed $1,200,000 of the net earnings, and the balance was distributed $602,967 to undivided profits and $1,448,164 to general reserve.

As of March 31, 1943, the capital funds of J. P. Morgan & Co. Incorporated were: capital, $20,000,000; surplus, $20,000,000, and undivided profits, $1,817,508.

Mr. Morgan's death on March 13 was noted in these columns March 18, page 1001. The previous offering of a block of stock was referred to in our issue of Feb. 5, 1942, page 545.

Hull Says Renewal Of Trade Pacts Is Vital

Secretary of State Hull has informed Congress that the United States must demonstrate now its "sincerity of purpose" and willingness to bear its share of responsibility in world affairs by extending the administration's authority to write reciprocal trade agreements.

This was revealed on April 5 when the House appropriations Committee made public testimony given by the Secretary on Feb. 8 in requesting funds for his Department's operation in the 12 months beginning July 1.

The authority for the reciprocal trade agreements is due to expire June 12. Mr. Hull said, according to the Associated Press, that he considered it "inconceivable" that the act would not be extended because, he said, it "will be vitally needed:

1. "To open up foreign markets for American products during the post-war period and thereby

2. "Help maintain domestic prosperity and full employment during the difficult post-war readjustment period, and

3. "In the light of the program and principles subscribed to by this Government and in the Atlantic Charter, the United Nations Declaration, and in more than a dozen lend-lease agreements, to enable the United States to occupy the position of leadership now in laying the groundwork for post-war, world-wide economic reconstruction."

WPB Appointments

Organization of the War Production Board's Office of Vice-Chairman for Operations and appointments to key positions were announced on March 29 by WPB Operations Vice-Chairman Donald D. Davis.

John Hall, who has been Director of the Construction and Utilities Bureau, becomes Deputy Vice-Chairman for Industry Operations, and Wade T. Childress, who has been Deputy Director General for Field Operations, will continue the same duties with the title of Deputy Vice-Chairman for Field Operations.

John P. Gregg, who was U. S. Secretary of the Combined Production and Resources Board, has been named Assistant Deputy Vice-Chairman for Industry Operations, and James A. Folger will continue in his present position, with the new title of Assistant Deputy Vice-Chairman for Field Operations.

Four new top positions have been created in the Office of Operations Vice-Chairman, as follows:

Scheduling Officer, John Mohler; Materials Officer, Joseph E. Adams; Orders Officer, J. B. Walker; Program Implementation Officer, John H. Martin.

The advices from the WPB also said:

"The organization of most of the industry divisions under five bureaus in the Office of Operations Vice-Chairman remains unchanged, and all bureau and division directors have been reappointed to the positions which they held under the Director General for Operations, except that James Auten, formerly Deputy Director of the Construction and Utilities Bureau, has been named Director to succeed Mr. Hall.

"The Shipbuilding Division and the Radio Division, which for a time reported to Executive Vice-Chairman Charles E. Wilson, have been returned to the jurisdiction of the Operations Vice-Chairman and will report directly to the Deputy Vice-Chairman for Industry Operations. The Tools Division has also been returned to the Equipment Bureau.

"The Government Division will hereafter report directly to the Deputy Vice-Chairman for Industry Operations, as will the Salvage and Conservation Divisions, the Concentration Division, the Mineral Resources Coordinating Division, the Procedures Division, the Office of Industry Advisory Committees, the Office of Product Assignments and the Redistribution Division.

Now Ambassadors

President Roosevelt asked the Senate on March 23 to promote to the rank of Ambassadors the Ministers to seven American republics, thus placing all 20 of the Latin American republics on the same diplomatic plane. The Senate confirmed these changes on March 26.

The seven countries where United States legations will be raised to embassies are Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras and Nicaragua. These seven countries will elevate their diplomatic chiefs in Washington.

The State Department said the changes signify "the steady strengthening of bonds of friendship, culture and commerce among the American republics concerned," and give "formal recognition to the democratic principle of their juridical equality."

The President, at the same time, transferred two of the seven envoys and also the one in Ecuador.

The changes and promotions were as follows:

Boaz Long of New Mexico, Ambassador to Ecuador, to be Ambassador to Guatemala.

Robert M. Scotten of Michigan, Minister to Costa Rica, to be Ambassador to Ecuador.

Fay A. Des Portes of South Carolina, Minister to Guatemala, to be Ambassador to Costa Rica.

James B. Stewart of New Mexico, Minister to Nicaragua, to be Ambassador to Nicaragua.

Walter Thurston of Arizona, Minister to El Salvador, to be Ambassador to El Salvador.

John D. Erwin of Tennessee, Minister to Honduras, to be Ambassador to Honduras.

Avra M. Warren of Maryland, Minister to the Dominican Republic, to be Ambassador to the Dominican Republic.

John Campbell White of New York, Minister to Haiti, to be Ambassador to Haiti.

Those promoted to the rank of Ambassador will continue to receive the $10,000 salary of Ministers instead of the $17,500 usually paid to Ambassadors. This practice was also followed in the recent promotion of Ministers to Bolivia, Ecuador and Paraguay.

Daily Average Crude Oil Production For Week Ended April 3, 1943 Increased 21,450 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 3, 1943, was 3,917,700 barrels, an increase of 21,450 barrels over the preceding week and a gain of 499,400 barrels over the corresponding week of last year. The current figure, however, was 276,000 barrels below the daily average figure recommended by the Petroleum Administration for War for the month of March, 1943. Daily output for the four weeks ended April 3, 1943, averaged 3,898,750 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 3,624,000 barrels of crude oil daily and produced 10,361,000 barrels of gasoline, 3,903,000 barrels of distillate fuel oil, and 8,209,000 barrels of residual fuel oil during the week ended April 3, 1943, and had in storage at the end of that week 93,409,000 barrels of gasoline, 30,732,000 barrels of distillate fuels and 67,483,000 barrels of residual fuel oils. The above figures apply to the country as a whole, and do not reflect conditions on the East Coast.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P.A.W. Recommendations March	*State Allowables Beginning Mar. 1	—Actual Production— Week Ended Apr. 3 1943	Change from Previous Week	4 Weeks Ended Apr. 3 1943	Week Ended Apr. 4 1942
Oklahoma	390,700	390,700	†344,000	— 1,650	339,800	389,900
Kansas	309,900	309,900	†314,800	+ 5,900	306,500	246,700
Nebraska	2,800		†2,250	+ 100	2,150	4,250
Panhandle Texas			88,600	----	88,600	58,600
North Texas			137,000	----	136,800	147,400
West Texas			218,100	----	218,100	179,050
East Central Texas			99,800	----	99,800	79,200
East Texas			323,400	----	323,400	226,000
Southwest Texas			173,450	----	172,900	136,850
Coastal Texas			352,600	----	353,250	218,550
Total Texas	1,502,000	‡1,501,801	1,392,950	----	1,392,850	1,045,650
North Louisiana			89,150	— 100	89,150	80,550
Coastal Louisiana			250,600	----	250,600	237,450
Total Louisiana	349,800	370,300	339,750	— 100	339,750	318,000
Arkansas	78,700	74,826	70,650	— 200	70,750	75,650
Mississippi	50,000		†54,450	+ 750	55,050	98,450
Illinois	262,300		235,950	+ 7,750	236,400	314,200
Indiana	16,500		†15,950	----	15,150	18,100
Eastern (not incl. Ill. & Ind.)	115,000		97,800	+ 4,650	94,800	102,250
Michigan	63,700		56,100	— 300	57,350	51,200
Wyoming	92,500		90,600	— 800	89,800	89,250
Montana	23,400		17,800	----	17,800	21,600
Colorado	7,000		6,500	— 200	6,700	5,100
New Mexico	105,800	105,800	92,450	+ 50	92,400	82,200
Total East of Calif.	3,370,100		3,132,000	+ 15,950	3,117,250	2,862,500
California	823,700	§823,700	785,700	+ 5,500	781,500	555,800
Total United States	4,193,800		3,917,700	+ 21,450	3,898,750	3,418,300

*P.A.W. recommendations and state allowables represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Past records of production indicate, however, that certain wells may be incapable of producing the allowables granted, or may be limited by pipeline proration. Actual state production would, under such conditions, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline and allied products in December, 1942, as follows: Oklahoma, 29,600; Kansas, 5,900; Texas, 107,400; Louisiana, 21,500; Arkansas, 2,700; Illinois, 10,200; Eastern (not including Illinois and Indiana), 12,600; Michigan, 100; Wyoming, 2,500; Montana, 400; New Mexico, 5,700; California, 43,900.

†Oklahoma, Kansas, Nebraska, Mississippi, Indiana figures are for week ended 7 a.m. March 31.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 3 to 14 days, the entire state was ordered shutdown for 11 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 11 days shut-down time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED APRIL 3, 1943

(Figures in Thousands of barrels of 42 Gallons Each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	Daily Refining Capacity Potential Rate	Daily Refining Capacity % Reporting	Crude Runs to Stills Daily Average	Crude Runs to Stills % Operated	§Gasoline Production at Refineries Includ. Natural Blended	‡Stocks Finished and Unfinished Gasoline	‡Stocks of Gas Oil and Distillate Fuels	‡Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,444	88.7	1,709	69.9	4,776	40,343	14,033	10,170
Appalachian	177	84.8	157	88.7	442	2,547	848	459
Ind., Ill., Ky.	811	85.0	657	81.0	2,102	20,483	3,063	2,328
Okla., Kansas, Mo.	416	80.1	313	75.2	1,078	7,408	1,614	1,352
Rocky Mountain	147	48.0	81	55.1	260	2,036	346	528
California	817	89.9	707	86.5	1,703	20,592	10,828	52,646
Tot. U. S. B. of M. basis April 3, 1943	4,812	86.2	3,624	75.3	10,361	†93,409	30,732	67,483
Tot. U. S. B. of M. basis March 27, 1943	4,812	86.2	3,742	77.8	10,231	94,079	30,980	67,938
U. S. Bur. of Mines basis April 4, 1942			3,499		11,190	106,406	30,095	81,953

*At the request of the Petroleum Administration for War. †Finished, 83,495,000 barrels; unfinished, 9,914,000 barrels. ‡At refineries, at bulk terminals, in transit and in pipe lines. §Not including 3,903,000 barrels of gas oil and distillate fuel oil and 8,209,000 barrels of residual fuel oil produced in the week ended April 3, 1943, which compares with 3,541,000 barrels and 8,018,000 barrels, respectively, in the preceding week, and 3,492,000 barrels and 6,569,000 barrels, respectively, in the week ended April 4, 1942.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1943—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Percent of Activity Cumulative
Jan. 2	126,844	97,386	379,573	62	84
Jan. 9	134,982	129,365	381,713	82	82
Jan. 16	157,251	137,055	397,437	88	85
Jan. 23	143,028	140,849	398,594	88	86
Jan. 30	152,358	136,645	413,084	88	86
Feb. 6	169,417	140,836	439,304	89	87
Feb. 13	148,687	137,784	446,981	87	87
Feb. 20	141,435	142,932	445,982	91	88
Feb. 27	156,628	147,085	454,308	94	88
Mar. 6	175,178	147,830	480,802	93	89
Mar. 13	166,885	146,062	498,927	93	89
Mar. 20	155,116	149,096	504,414	92	90
Mar. 27	139,911	150,754	488,197	95	90
Apr. 3	172,412	153,030	511,220	95	90

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

March Department Store Sales Decline

The Board of Governors of the Federal Reserve System announced on April 9 that department store sales declined in March, following a sharp rise in February that reflected the buying wave that swept the country after the announcement of shoe rationing. The Board's seasonally adjusted index of sales declined to 135% of the 1923-25 average as compared with 167 in February, 143 in January and an average of 130 in the last quarter of 1942.

INDEX OF DEPARTMENT STORE SALES‡ (1923-25 AVERAGE=100)

	Mar., 1943	Feb., 1943	Jan., 1943	Mar., 1942
Adjusted for seasonal variation	135	167	143	124
Without seasonal adjustment	120	132	111	118

§Change from corresponding period a year ago (per cent)

Federal Reserve District—	One Week Ending 4-3	One Week Ending 3-27	One Week Ending 3-20	One Week Ending 3-13	Four Weeks Ending 4-3	Four Weeks Ending 3-27	Four Weeks Ending 2-27	Four Weeks Ending 1-30	Year to 4-3
Boston	—13	— 6	— 2	+ 6	— 5	+ 4	+22	— 2	+ 5
New York	—11	— 9	— 6	0	— 7	—1	+17	— 7	+ 1
Philadelphia	— 8	*— 9	—11	— 1	— 8	— 4	+18	— 5	+ 2
Cleveland	—12	—13	— 7	— 5	— 9	— 3	+28	0	+ 5
Richmond	— 7	—15	— 1	— 6	— 7	— 3	+34	0	+ 8
Atlanta	— 6	+ 2	+ 3	+ 9	+ 2	+ 7	+43	+13	+18
Chicago	— 7	+ 1	— 4	— 3	— 3	0	+30	— 1	+ 7
St. Louis	— 1	— 4	— 3	+ 1	— 2	— 1	+36	+ 8	+12
Minneapolis	†	†	†	†	— 1	*+ 4	+25	+ 2	+ 8
Kansas City	+ 9	*+18	+17	+27	+18	+22	+59	+26	+32
Dallas	+ 9	*+ 7	+20	+30	+16	*+24	+71	+22	+36
San Francisco	— 2	*+11	+ 9	+19	+ 9	+15	+42	+14	+21
U. S. total	— 7	— 3	— 2	+ 3	— 2	+ 3	+31	+ 2	+10

WEEKLY INDEX, WITHOUT SEASONAL ADJUSTMENT (1935-39 AVERAGE=100)

1943—		1942—	
March 6	142	March 7	125
March 13	134	March 14	131
March 20	137	March 21	140
March 27	143	March 28	147
April 3	149	April 4	160

*Revised. †Not shown separately but included in United States total. ‡Monthly indexes refer to daily average sales in calendar month; March, 1943, figures estimated from weekly sales. §During March changes from a year ago reflect in part the fact that last year Easter was on April 5 while this year it will be on April 25. For this reason it is estimated that in comparison with last year allowance should be made for a decrease of about 6% for the month of March as a whole.

Advertising Clubs' Award Group Named

The Advertising Federation of America announces the appointment of Allan T. Preyer, Vick Chemical Co. and Director of the Federation, as Chairman of a committee of five judges who will appraise the entries from member advertising clubs for the Federation's awards for club achievement. Serving with Mr. Preyer on the committee are AFA Directors Dorothy Shaver, Vice-President of Lord & Taylor, and John Platt of the Kraft Cheese Co.; Chester J. LaRoche, Chairman of the Board of Young and Rubicam, at present "on leave" to serve as Chairman of the Advertising Council, and Gardner Cowles, Jr., Associate Publisher of the Des Moines "Register and Tribune," now serving as Director of Domestic Operations of the Office of War Information.

As previously announced, the basis for this year's awards is some appropriate professional club activity in furthering the war effort. The personnel of the jury, therefore, has special significance because of the keen interest of each member in the promotion of such advertising club participation.

Mr. Preyer, Chairman of the jury, is also serving as Chairman of the Federation's War Advertising Committee charged with the promotion of War Advertising Committee organization among advertising clubs and in other key cities. OWI along with other Government information services has long been urging the desirability of such local organization of advertising talent, and the Advertising Council has cooperated with the Federation in the promotion of these local committees.

May 10th is the closing date by which all entries must be received at AFA headquarters, 330 West 42nd Street, New York.

Mutual Life Co. Gives $50,000 To Red Cross

Eugene W. Stetson, President of the Guaranty Trust Co. of New York and Chairman of the Commerce & Industry Committee, 1943 Red Cross War Fund, recently presented the Red Cross "A," "R" and "C" citation to Lewis W. Douglas, President of the Mutual Life Insurance Co. of New York, in recognition of the Mutual Life's contribution of $50,000 to the fund. The triple citation is for contributions by the company, its executives and employees. In addition to being one of the first life insurance companies in New York to receive the triple award from the Red Cross, the Mutual Life was among the first to report individual contributions from 100% of its employees and executives.

Items About Banks, Trust Companies

Guaranty Trust Co. of New York announced on April 6 the appointment of Carl V. E. Brandebury as an Assistant Treasurer.

The United States Trust Co., New York City, observed on April 12 its 90th anniversary. Chartered on April 12, 1853, the concern was one of the first in this country organized exclusively to conduct a trust business. Its charter subsequently was used as the basis of the general law covering all trust companies in this State.

At the time of organization the company's capital consisted of $1,000,000. This was increased to $2,000,000 in 1871, and it has remained at this figure ever since. During its 90-year history United States Trust has built up a surplus of $26,000,000 and undivided profits of $2,116,621. The first dividend was paid in 1854, and payments have continued uninterrupted since then. At the present time the rate is $60 per share regular and $10 per share extra.

In its 90 years the company has had six presidents. John A. Stewart, who served for a time as Assistant Secretary of the Treasury under Abraham Lincoln, was President and the Chairman of the Board of the United States Trust Co. from 1865 to his death in 1926 at the age of 104. Williamson Pell is now the company's chief executive.

On March 31 the company reported total resources of $143,745,737 and deposits of $111,646,478.

The condensed statement of condition of the National City Bank of New York as of March 31, 1943, shows total resources of $3,568,434,805 and total deposits of $3,352,958,745. These figures compare respectively with $3,761,671,281 and $3,555,940,023 on Dec. 31, 1942. Cash and due from banks March 31 was $860,032,174, a decrease of $41,140,631 from three months ago; holdings of U. S. Government obligations and obligations of other Federal agencies total $1,909,899,261, a decrease of $118,882,866, and loans, discounts and bankers' acceptances amounted to $532,584,826, a decrease of $40,866,014. The bank's capital and surplus are unchanged from the close of 1942, at $77,500,000 each. Undivided profits at $25,110,800 show an increase of $1,317,350 for the quarter.

The City Bank Farmers Trust Co., affiliate of the National City Bank of New York, reports as of March 31, 1943, total assets of $119,091,854 and deposits of $91,990,907, as compared with $142,061,713 and $115,366,183, respectively, on Dec. 31, 1942. Cash and due from banks amounted to $28,985,612, against $37,601,930 three months ago, while holdings of U. S. Government obligations and securities of other Federal agencies at the latest date totaled $70,499,477, as compared with $85,560,974. The trust company's capital and surplus remain unchanged at $10,000,000 each. Undivided profits also remain the same as three months ago, standing at $5,830,103.

Henry G. Atha, retired Chairman of the Board of Managers of the Howard Savings Institution, Newark, N. J., died on April 6 at Beacon, N. Y. He was 74 years old.

Mr. Atha retired in January, 1936. He had been Chairman of the Howard institution since the merger of the Security Savings Bank with the Howard in January, 1930. Mr. Atha had been President of the Security Bank since 1919 and for five years prior to that time he was Vice-President and Treasurer.

Gabriel Larsen, President of the First National Bank, Springfield, N. J., died on April 7 in Hahnemann Hospital, Philadelphia, as a result of an automobile accident. He was 56 years old. Mr. Larsen was one of the organizers of the Springfield bank and was named a Director in 1925. He had been President since 1935.

The Boyle Bank and Trust Co., Danville, Ky., a State member bank of the Federal Reserve System, has been absorbed by the Farmer's National Bank of Danville.

N. Y. Savings Banks Cited By Treasury For War Savings Work

Nevil Ford, Administrator of the New York State War Savings Staff, has awarded Myron S. Short, President of the Savings Banks Association of New York State, a citation from the Treasury Department recognizing the part the savings banks of New York State have played in furtherance of the war savings program. Lewis E. Pierson, Down State Chairman of the War Savings Staff, and Robert W. Sparks, Vice-President of the Bowery Savings Bank, also were present.

In accepting the citation, Mr. Short stated:

"It is with a great deal of pleasure that I accept this citation as a recognition of the outstanding service of the savings banks of New York State in the sale of war bonds and stamps. While we did not undertake this work with any idea of special recognition, it is my opinion that management as well as personnel have rendered an exceptional service.

"The mutual savings banks are the trustees of public funds, charged not alone with the responsibility of guarding the assets of each depositor, but also offering to the community, of which each is an active part, all possible services. It is inevitable, therefore, that we would enter into the sale, first of defense stamps and bonds and later war stamps and bonds. The record speaks for itself. Our banks have sold $488,000,000 of war bonds, and through Victory Clubs and Payroll Savings deduction plans, some 200,000 people are purchasing bonds regularly.

"In the last four years the percentage of deposits invested by our banks in Government bonds for their own account has increased from 28% to 42%. The deposits have increased by $174,000,000 while the holdings in Government bonds have increased by $813,000,000.

"This citation has been presented to me as the representative of the Savings Banks Association of this State. Special credit should be given, however, to Mr. Henry Bruere who has served as the liaison officer between the Treasury Department and the savings banks. He has done asplendid job in that capacity.

"Savings banks as well as industry may look with justifiable pride at the record they have made since Dec. 7, 1941. Our savings banks are an industry, an ally of big industry, and in many ways a vital part of it. We are all united in one great system of initiative and free enterprise. In our own way, in a field of restricted powers, we have given tangible aid to the war effort through the purchase of War and Victory Bonds, and by taking a leading part in providing housing for war workers. We shall continue these services as long as the war lasts. We have always played an important part in the growth and development of the communities in this State, and now we are called upon to use the same energies and to make the same contributions in a common cause for the preservation of democracy, yes even Christianity.

"Our depositors and the public look to us for leadership. We dare not and will not fail."

Successful Bond Drive Seen By ABA Head

Full support by the nation's 15,000 banks of the Treasury's $13,000,000,000 war loan drive which opened April 12, was formally pledged by W. L. Hemingway, President of the American Bankers Association, and the Administrative Committee of the Association, in session at the Waldorf-Astoria in New York on April 12. Mr. Hemingway, who is President of the Mercantile-Commerce Bank and Trust Co. in St. Louis, announced that a resolution affirming the ABA's support of the Treasury's war financing campaign was adopted by the committee at the meeting. The resolution reads as follows:

"*Resolved* that it is to the best interests of the country that the government's financial needs be supplied directly by the people to the greatest extent possible and to that end we pledge our full support to the Treasury's campaign for the sale of Government bonds. We also assure the Treasury of the willingness of the banks to purchase the amounts of Government securities necessary to supplement sales to the public."

Mr. Hemingway forecast success for the drive and predicted that a greater number of people would participate in this second war loan than in the first. "While the December drive was an outstanding success, it did not reach as many people as was desired," he said. "But with plans organized in the light of that experience there is no doubt that many more people will be buyers of the Government's securities this time." He added:

"This war is everybody's war, and it is important that everybody participate. And it is especially important that the bonds be sold outside of the banks. The banks are well prepared to do their part. In most places bankers will be among the principal salesmen for the Government. In addition, the banks will buy for their own account as much of the loan as is necessary."

Morgenthau Praises Press For Support To War Loan Drive

Secretary of the Treasury Morgenthau made public on April 8 the following statement on newspaper participation in the Second War Loan drive, written at the request of the Associated Press:

"The financial demands of this war have stretched to every corner of the country the need for lending fighting dollars to the Government. Even with history-making numbers already holding a stake in the nation's future, new millions will have to be added to the lists of shareholders in America during the $13,000,000,000 Second War Loan drive which the Treasury will launch next week.

"Thousands of volunteer workers from every group in our national life will be collaborating with their Government in the campaign to sell securities to their friends, neighbors and business associates. Busy as they will be in this important task concentrated into a brief period, they will find their work simplified tremendously by the splendid contributions that have been made and will be made by the industries that provide our public with information and advertising.

"Naturally, one of the great jobs in this field is that contemplated by the newspapers of America. The press—daily and weekly, urban and rural—has long been of importance in the Treasury's financing programs. With the development of the War Savings campaign, the publishers and editors and reporters and artists and carrier boys have joined in with a superb will to tell the story of the War Bonds and Stamps and to sell them as well.

"Last month I invited to the Treasury leaders of the newspaper industry who were asked for suggestions in the conduct of the Second War Loan drive. I was delighted by the spontaneity with which they recognized our problems and offered even further cooperation. As a result, they organized themselves into an Allied Newspaper Council to work shoulder to shoulder with us in this gigantic undertaking. In addition to the constant advisory aid of the members of the Council, they have made available to us the full-time services of several of their most talented colleagues.

"So painstaking are the preparations for participation by this group that I know that no individual who reads their publications will be unaware of the purposes of our campaign or of the securities that are being offered. On behalf of the Treasury, I am happy to make public acknowledgement of the valuable support being provided to us by the nation's press."

Formation of the Allied Newspaper Council was noted in our issue of April 8, page 1310.

Not Urging Savings Money Be Put In War Bonds

Secretary of the Treasury Morgenthau denied on April 5 a press report that the Treasury would ask people to reduce their savings accounts in banks and invest these funds in Government securities. These advices had reported on April 4 that the Treasury would urge people to dig into all the surplus money they have to aid the forthcoming Government drive for $13,000,000,000 for war financing. In indicating the denial of the report by Mr. Morgenthau Washington advices to the New York "Times" April 5 stated:

"The Treasury, he said, plans to exert no pressure to obtain money from savings accounts for purchase of Government securities. He added that withdrawal of savings for such purchases would not aid anti-inflation efforts."

Greater New York Fund Campaign Starts May 3

The sixth annual campaign of the Greater New York Fund, to help support 406 affiliated voluntary welfare and health agencies and hospitals, will be formally launched on May 3, it was announced from Fund headquarters at 11 West 42nd Street, New York City. The announcement is contained in a printed statement and memorandum received by 50,000 directors and officers of corporations and private businesses. The memorandum, declaring that "much of the responsibility for maintaining a strong home front" rests on the Fund agencies, was signed by the following six prominent New York business and welfare leaders:

Arthur A. Ballantine, of Root, Clark, Buckner & Ballantine, President of the Fund;

James G. Blaine, President of the Marine Midland Trust Co., Chairman of the Board of the Fund;

John A. Coleman, of Adler, Coleman & Co., Executive Chairman of the Archbishop's Committee of the Laity of the Archdiocese of New York;

Walter S. Gifford, President, American Telephone & Telegraph Co., Chairman of the Board of the Community Service Society of New York;

Roy E. Larsen, President of Time, Inc., President of the United Hospital Fund; and

George Z. Medalie, attorney, President of the Federation for the Support of Jewish Philanthropic Societies of New York City.

W. Randolph Burgess, Vice-Chairman of the Board of the National City Bank, has been named Chairman of the Greater New York Fund's campaign which the statement defines as the opportunity of the New York labor and business community to share in meeting a $21,000,000 home front need. That amount is the sum required "from the generosity of the community" to meet the normal operating expenses of the agencies and hospitals affiliated with the Fund. The statement says:

"Most of this sum—more than $16,000,000 — is contributed directly to the agencies by individuals and foundations. Since 1938, the remainder has been sought in campaigns carried on by the Greater New York Fund and directed exclusively to the business world—not to individuals as such, but specifically, to business concerns and employee groups."

GENERAL CONTENTS

(Continued from first page)